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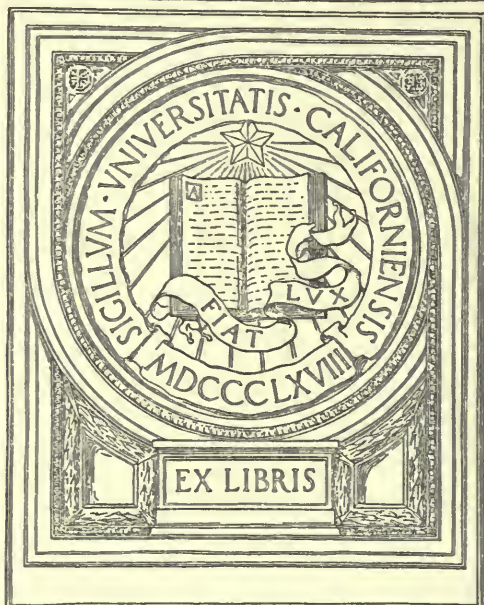
# First Lessons in Bookkeeping



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WILLIAMS AND ROGERS SERIES

GIFT OF  
Dr. William H. Ivie



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*WILLIAMS & ROGERS SERIES*

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# FIRST LESSONS

IN

# BOOK-KEEPING

BY

SINGLE AND DOUBLE ENTRY

WITH AN EXERCISE IN

## BUSINESS PRACTICE

FOR USE IN ALL SCHOOLS IN WHICH THE

COMMERCIAL BRANCHES ARE TAUGHT.

ESPECIALLY DESIGNED FOR USE IN

DISTRICT AND GRADED SCHOOLS

AND FOR

EVENING CLASSES IN BUSINESS COLLEGES.

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REVISED AND ENLARGED.

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## PREFACE.

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This book was written in response to numerous requests which the publishers received from teachers in district and graded schools for a text-book on book-keeping, especially adapted to such schools, and constructed on the plan of their Complete Book-keeping.

The features of the Complete Book-keeping which have commended that work so strongly to teachers, and which have probably contributed most largely to its extraordinary popularity and introduction, are the minute explanations of every step to be taken by the pupil; the system of illustrative examples employed, enabling the pupil to perform the work himself, thus cultivating self-reliance; the careful and systematic grading of the exercises; and the script plates with which the sets are illustrated.

All of the features described above have been incorporated in this work, and it is believed that the pupils for whom the book is designed will have no difficulty in securing, from the exercises given, complete knowledge of the principles of book-keeping, as well as important aid in the direction of obtaining a good hand-writing, and that practically independent of the teacher.

The set on Business Practice will, it is believed, add greatly to the value of the work, and meet the demand for that kind of instruction in the classes for which the book is designed.

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# BOOK-KEEPING

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**BOOK-KEEPING** <sup>1</sup> is a record of the facts pertaining to business transactions. <sup>2</sup> By the term business transactions is meant dealings between two or more persons.

<sup>3</sup> The object of keeping books is to enable the proprietor to ascertain, at any time, with certainty and ease, any particulars regarding his business.

<sup>4</sup> There are two methods of book-keeping in general use, termed <sup>5</sup> *Single Entry* and <sup>6</sup> *Double Entry*.

<sup>7</sup> In **Single Entry Book-keeping** only personal accounts are kept in the Ledger.

<sup>8</sup> In **Double Entry Book-keeping** accounts are kept in the Ledger with things as well as persons.

Since only Single Entry Book-keeping will be treated in this connection, further explanation of Double Entry will be deferred until Single Entry has been mastered.

## SINGLE ENTRY BOOK-KEEPING.

### BOOKS REQUIRED.

<sup>9</sup> The books to be used depend much upon the nature and extent of the business. <sup>10</sup> The main books usually employed are *Cash Book*, *Bill Book*, *Journal*, and *Ledger*. <sup>11</sup> Other books, as, *Sales Book*, *Order Book*, *Shipping Book*, etc., are sometimes used.

<sup>12</sup> The **Cash Book** contains the receipts and payments of cash. <sup>13</sup> The difference between the sum of the receipts of cash and the sum of the payments of cash will show at any time the amount of cash on hand. (See pages 8 and 9 for form of *Cash Book*.)

<sup>14</sup> The **Journal** contains all debits and credits to persons arising from transactions with such persons. <sup>15</sup> Such debits and credits should be accompanied by sufficiently clear and complete explanations of the transactions giving rise to the entries that anybody, whether familiar with the circumstances or not, would readily understand all important facts regarding them. (See page 13 for form of *Journal*.)

A clear and complete history of every important transaction should be preserved in some form. This is especially true in all matters affecting the interests of other persons. There are several ways of preserving such a history. <sup>16</sup> One is to record every important transaction in a book, usually called a Day Book, or Blotter; <sup>17</sup> another is by entering all of the particulars of the transaction on a memorandum slip, and, after the proper entry has been made from it, filing it away for future reference; and <sup>18</sup> still another is to preserve copies of all letters and invoices, in an impression book. The memoranda of transactions given on page 10, is in the nature of a Day Book, and is regarded a sufficient illustration of that book and its use.

<sup>19</sup> The **Bill Book** is designed to contain a record of all of our written obligations issued to other persons, and <sup>20</sup> of those in our possession made by other persons. <sup>21</sup> Such obligations in our favor are called *Bills Receivable*, and <sup>22</sup> ours in favor of others are called *Bills Payable*.

<sup>22</sup>The **Ledger** is the business man's account book. <sup>24</sup>In this book the debits and credits of the Journal are grouped under their proper titles—the names of the persons. <sup>25</sup>Such collections of debits and credits are called *Accounts*, and <sup>26</sup>the process of grouping is called *Posting*. (See page 26 for form of Ledger.)

## DEFINITION OF TERMS.

<sup>27</sup>The term **Debit**, which is abbreviated Dr., indicates either that <sup>a</sup>the person with whose name it is connected has become indebted to us, or that <sup>b</sup>we have got out of his debt.

<sup>28</sup>The term **Credit**, which is abbreviated Cr., indicates that <sup>a</sup>we have become indebted to the person with whose name it is connected, or that <sup>b</sup>that person has got out of our debt.

<sup>29</sup>A **Resource** is any kind of property belonging to the business; as, <sup>30</sup>an account owing to us, another person's note in our favor, cash on hand or in bank, real estate, stocks, bonds, mortgages, goods in stock, furniture and fixtures, unpaid interest in our favor—in short, anything of value in our possession or belonging to us, or a debt due us.

<sup>31</sup>A **Liability** is a debt of any kind owing by us; as, <sup>32</sup>our note outstanding, or a debt due another person.

<sup>33</sup>**Investment**, as a book-keeping term, is applied to the capital put into a business.

<sup>34</sup>The investment may be composed of cash entirely, or <sup>35</sup>it may be made up of various kinds of property; as, <sup>36</sup>amounts due from others, real estate, or anything of value.

<sup>37</sup>The **Present Worth** of the proprietor is the net value of his interest in the business at any stated period. <sup>38</sup>The amount of the present worth may be ascertained at any time by finding the difference between the sum of the resources and the sum of the liabilities. <sup>39</sup>If the sum of the resources exceeds the sum of the liabilities, the difference shows that the proprietor has property in the business to that amount; and <sup>40</sup>if the sum of the liabilities exceeds the sum of the resources the difference shows that the business is *insolvent*,—in other words, that there is not sufficient property in the business to pay the debts of the business.

<sup>41</sup>The **Net Gain** is the excess of the present worth over the net investment.

<sup>42</sup>The **Net Loss** is the excess of the net investment over the present worth.

<sup>43</sup>The net gain which has been realized, or the net loss which has been sustained, during the progress of the business, may therefore be ascertained by finding the difference between the investment and the present worth. <sup>44</sup>If the present worth exceeds the investment, the difference shows that the proprietor is now worth more in the business than he was at the outset, or at the last closing of the books, which would of course indicate a gain; while, <sup>45</sup>if the present worth is less than the investment, it will be apparent that the difference will show that the interest of the proprietor has diminished, or that he has sustained a loss.

<sup>46</sup>**Cash** is the term applied to specie, government bills, bank bills, bank checks, sight drafts, postal notes, money orders, in fact all paper that is payable in money on demand.

<sup>47</sup>**Bills Receivable** is the term applied to the negotiable written promises of other parties, payable at a future time, which come into our possession; as, <sup>48</sup>notes and accepted drafts.

<sup>49</sup>**Bills Payable** is the term applied to our negotiable written obligations issued to other parties, and payable at a future time; as, <sup>50</sup>notes and accepted drafts.



## GENERAL RULES FOR SINGLE ENTRY.

**Rule 1.**—<sup>51</sup>The PROPRIETOR IS CREDITED

- <sup>a</sup>For the sum of his resources at the beginning of business;
- <sup>b</sup>For subsequent investments in the business; and
- <sup>c</sup>For his net gain, if any, when the books are closed.

**Rule 2.**—<sup>52</sup>The PROPRIETOR IS DEBITED

- <sup>a</sup>For the sum of his liabilities at the beginning of business;
- <sup>b</sup>For such sums as he may draw out of the business from time to time; and
- <sup>c</sup>For his net loss, when the books are closed, if there has been a loss.

**Rule 3.**—<sup>53</sup>PERSONS ARE DEBITED in the Journal

- <sup>a</sup>When they get into our debt; and
- <sup>b</sup>When we get out of their debt, in full or in part.

**Rule 4.**—<sup>54</sup>PERSONS ARE CREDITED in the Journal

- <sup>a</sup>When we get into their debt; and
- <sup>b</sup>When they get out of our debt, in full or in part.

**Rule 5.**—<sup>55</sup>CASH IS DEBITED in the Cash Book when it is received into the business from whatever source.

**Rule 6.**—<sup>56</sup>CASH IS CREDITED in the Cash Book when it is paid out for whatever purpose.

**Rule 7.**—<sup>57</sup>BILLS RECEIVABLE are entered in the Bill Book as soon as received, with all of the particulars regarding them; as, the date of the note or acceptance, the date on which it will fall due, the name of the party who will have to pay it, the name of the endorser, if any, the name of the place where it is payable, and the amount; and <sup>58</sup>when it is paid it is so indicated in the proper column in the Bill Book.

**Rule 8.**—<sup>59</sup>BILLS PAYABLE are entered in the Bill Book as soon as issued, with all the facts regarding them; as, the date, the date of maturity, the name of the payee, the name of the place where payable, and the amount; and <sup>60</sup>when paid it is so indicated in the proper column.

Sometimes a Cash account, a Merchandise account, or an Expense account is kept in the Single Entry Ledger, and sometimes all of these are kept; but when such is the case it ceases to be Single Entry, as a purely Single Entry Ledger contains only personal accounts. To the extent that a Single Entry Ledger contains other than personal accounts it approaches Double Entry, but it still will lack many of the valuable qualities of the Double Entry method.

## QUESTIONS.

<sup>1</sup> What is Book-keeping? <sup>2</sup> What is meant by the term "business transaction"? <sup>3</sup> What is the object of keeping books? <sup>4</sup> How many methods of book-keeping are there in general use? <sup>5-6</sup> What are they called? <sup>7</sup> What accounts are kept in the Ledger in Single Entry? <sup>8</sup> What, in Double Entry? <sup>9</sup> Upon what do the books to be used in a business depend? <sup>10</sup> What are the main books usually employed? <sup>11</sup> What other books are sometimes used? <sup>12</sup> What does the Cash Book contain? <sup>13</sup> What will the difference between the sum of the receipts and payments of cash show at any time? <sup>14</sup> What does the Journal contain? <sup>15</sup> How much explanation of the transaction should accompany the Journal entry? <sup>16-18</sup> Describe three ways by which this may be done. <sup>19-20</sup> What does the Bill Book contain? <sup>21-22</sup> What are these obligations called? <sup>24</sup> What does the Ledger contain? <sup>25</sup> What is an account? <sup>26</sup> What is meant by posting? <sup>27</sup> What is meant by the term debit? <sup>28</sup> What, by the term credit? <sup>29</sup> What is a Resource? <sup>30</sup> Give an example. <sup>31</sup> What is a Liability? <sup>32</sup> Give an example. <sup>33</sup> What is meant by the term Investment? <sup>34-36</sup> Of what may it consist? <sup>37</sup> Define



January, 190-

2	Horse		100		
2	Wagon		75		
3	20 $\frac{1}{8}$ bbl. sacks Flour	65¢	13		
9	50 bu. Oats	37¢	18 50		
10	100 " Corn	55¢	55		
14	2 tons Coal	5 00	10		
20	100 sacks Flour	62¢	62		
28	100 bu. Corn	55¢	55		
				388 50	
31	Balance on hand			773 25	
					1161 75

February, 190-

column for the receipts of cash, and the second or right-hand column for the payments of cash; and "the other method provides for using opposite pages in the Cash Book, the left-hand page for the receipts of cash, and the right-hand page for the payments of cash.

Since errors are more liable to occur when both receipts and payments are entered in adjoining columns, the use of opposite pages is more common, and is here recommended.

### FIRST EXERCISE.

You will now arrange the receipts and payments of cash which are given in the following series of transactions, in your Cash Book, as shown in the engraved "Cash Book," illustrated on pages 8 and 9. When this work has been performed, you will observe that the Cash Book contains all of the information regarding the transactions given that that book is designed to exhibit, as explained on page 5, viz.: the receipts of cash on the left-hand or debit side, and the payments of cash on the right-hand or credit side; and the balance, or difference between the sides, which is the amount of cash on hand, may also be shown.



## SERIES OF TRANSACTIONS.

JANUARY 1, 190-.

1. Commenced business this day, investing as capital \$1000, cash. (*Place this on the left-hand or debit side of the Cash Book. See Rule 5, page 7, and illustration on page 8.*)
2. Bought a Horse and Wagon for use of the business, for which I paid \$100 and \$75, respectively. (*Place these items on the right-hand or credit side of the Cash Book. See Rule 6, page 7, and illustration on page 9.*)
3. Bought 20 one-eighth barrel sacks of Flour, at 65 cents per sack, for which I paid cash, \$13. (*Cr. side of Cash Book. See Rule 6, page 7, and illustration, page 9.*)
5. Sold, for cash, 2 sacks of Flour, at 80 cents per sack, \$1.60. (*Dr. side of Cash Book.*)
7. Sold, for cash, 6 sacks of Flour, at 82½ cents per sack, \$4.95. (*Dr. side of Cash Book.*)
9. Bought 50 bushels of Oats, at 37 cents per bushel, for which I paid cash, \$18.50. (*Cr. side of Cash Book.*)
10. Bought, for cash, 100 bushels of Corn, at 55 cents per bushel, \$55. (*Cr. side of Cash Book.*)
13. Sold, for cash, 20 bushels of Oats, at 42 cents per bushel, \$8.40. (*Dr. side of Cash Book.*)
14. Bought, for cash, 2 tons of Coal, at \$5 per ton, for use of store. (*Cr. side of Cash Book.*)
16. Sold, for cash, 5 sacks of Flour, at 85 cents per sack, \$4.25. (*Dr. side of Cash Book.*)
19. Sold, for cash, 25 bushels of Corn, at 60 cents per bushel, \$15. (*Dr. side of Cash Book.*)
20. Bought, for cash, 100 sacks of Flour, at 62 cents per sack, \$62. (*Make the remaining entries, if possible, without referring to the illustrations.*)
21. Sold, for cash, 35 sacks of Flour, at 80 cents per sack, \$28.
24. Sold, for cash, 25 bushels of Oats, at 43 cents, \$10.75.
25. Sold, for cash, 30 bushels of Corn, at 62 cents, \$18.60.
27. Sold, for cash, 4 sacks of Flour, at 80 cents, \$3.20.
28. Bought, for cash, 100 bushels of Corn, at 55 cents, \$55.
30. Sold, for cash, 75 bushels of Corn, at 62 cents, \$46.50.
31. Sold, for cash, 25 sacks of Flour, at 82 cents, \$20.50.

## BALANCING THE CASH BOOK.

It will now be clear to you, that "the left-hand, or debit side of the Cash Book, contains a record of all of the cash received, and "the right-hand, or credit side, a record of all of the cash paid out; and it will be equally apparent that "the difference between the sums of the sides, \$773.25, must show the amount of cash on hand January 31st.

You will now "close, or balance, the Cash Book, as the operation is called, as follows: "Draw one red line across the first money column on the left-hand page of the book, on the same line with the last item entered (*see illustration on page 8*); "next add the items in this column, and place their sum, \$1161.75, in the second money column on the next line below the one on which the last item was entered (*see illustration on page 8*). (*Before reading further perform the work precisely as instructed above.*) "Now, draw another red line across the first money column on the right-hand page, on the same line with the last item entered (*see illustration on page 9*); "next, add the items in this column and place their sum, \$388.50, in the second money column, on the next line below the one on which the last item was entered (*see illustration on page 9*); "then on the next line on the right-hand page enter in the date column, the date of balancing the book, 31; in the explanation column, the explanation, *Balance on hand*; and in the right-hand money column, the balance, \$773.25,

which is the difference between the sum of the receipts and the sum of the payments of cash for the month (*see illustration on page 9*). <sup>13</sup> Next, on the left-hand page, rule *one red line* across the second money column, on the same line with the last item entered (*see page 8*); and <sup>14</sup> one line below this rule *two red lines*, one directly on the blue line, and the other just far enough below it so that the two lines will not run together, extending the lines across the date column, and the two money columns, which will be omitting the explanation column (*see illustration, page 8*). <sup>15</sup> Next rule *single and double red lines* on the right-hand page, in the same manner, directly opposite those on the left-hand page; <sup>16</sup> then write the footings between the single and double red lines on each page (*see illustrations, pages 8 and 9*).

If this business were to be continued, the balance of cash, \$773.25, should be brought below the rulings on the Dr. side under date of February, as illustrated on *pages 8 and 9*.

## SECOND EXERCISE.

It is believed that you will now be able to enter properly the items of cash contained in the following transactions with no further aid than is afforded by reference to the instructions and illustrations given in the preceding exercise. You will therefore write at the top of each of the next two pages of your Cash Book the month and year, "February, 189-," and place all of the receipts of cash on the left-hand, or debit side, and all of the payments of cash on the right-hand, or credit side.

It is suggested that you rule a Cash Book on paper, and enter these items upon it as they should appear in your book. This will prevent possible errors and enable you to give your Cash Book a better appearance than it would probably have otherwise.

### SERIES OF TRANSACTIONS.

FEBRUARY, 190-,

1. Commenced business this day, investing cash, \$1500.
2. Bought, for cash, 30 one-eighth barrel sacks of Flour, at 60¢ per sack, \$18.
3. Sold, for cash, 12 sacks of Flour, at 70¢, \$8.40.
4. Sold, for cash, 10 sacks of Flour, at 65¢, \$6.50.
5. Bought, for cash, 125 one-eighth barrel sacks of Flour, at 58¢, \$72.50.
7. Sold, for cash, 30 sacks of Flour, at 65¢, \$19.50.
8. Sold, for cash, 42 sacks of Flour, at 64¢, \$26.88.
9. Sold, for cash, 16 sacks of Flour, at 65¢, \$10.40.
11. Bought, for cash, 100 one-eighth barrel sacks of Flour, at 59¢, \$59.
12. Sold, for cash, 30 sacks of Flour, at 65¢, \$19.50.
14. Sold, for cash, 18 sacks of Flour, at 66¢, \$11.88.
16. Sold, for cash, 25 sacks of Flour, at 65¢, \$16.25.
19. Bought, for cash, 300 bushels of Corn, at 55¢, \$165.-
21. Sold, for cash, 150 bushels of Corn, at 60¢, \$90.
23. Sold, for cash, 15 sacks of Flour, at 64¢, \$9.60.
25. Sold, for cash, 50 bushels of Corn, at 62¢, \$31.
27. Bought, for cash, 100 one-eighth barrel sacks of Flour, at 55¢, \$55.
29. Bought, for cash, 250 bushels of Corn, at 54¢, \$135.

After the foregoing items have been entered, the Cash Book should be ruled up and the footings brought down as explained under "Balancing the Cash Book" on page 10. The footing of the debit side should be \$1749.91, and of the credit side, \$504.50, and the difference (which should be placed on the right-hand side in *red ink*), should be \$1245.41.



## THE JOURNAL.

The **Journal**, as stated on page 5, is designed to contain all debits and credits to persons arising from transactions with such persons; and such debits and credits should be accompanied by clear and complete explanations of the transactions. To avoid errors it is of the utmost importance that the entries be made immediately after the transaction occurs; indeed, it is a matter of practice with careful book-keepers never to receipt a bill, pay an account, or complete any important transaction until a record of some kind has been made.

## THIRD EXERCISE.

You will now make the Journal entries required in the following transactions, which should correspond with the Journal given on page 13. The Cash Book entries will be omitted.

## SERIES OF TRANSACTIONS.

MARCH, 190—,

1. Commenced business this day with a cash capital of \$1000. (*See Rule 1, part a, on page 7, and also the form of the entry in the Journal, illustrated on page 13.*)
2. Bought of John Snow, on account at 10 days, 100 barrels of Flour, at \$5.25, \$525. (*See Rule 4, part a, page 7, and also the proper entry in the Journal, illustrated on page 13.*)
3. Sold Hiram J. Rice, on account at 5 days, 50 barrels of Flour, at \$6, \$300. (*See Rule 3, part a, page 7, and the entry for March 3 in the Journal, illustrated on page 13.*)
4. Bought of S. M. Baker, on account at 10 days, 250 barrels of Apples, at \$1.50, \$375. (*Rule 4, part a, page 7; Journal illustrated, page 13.*)
6. Bought of Nathan Goodman, a Horse and Wagon for the use of the business, for which I have agreed to pay \$150 on the 15th inst. (*Rule 4, part a, page 7; Journal illustrated, page 13.*)
7. Sold D. W. Fenner, on account at 10 days, 50 barrels of Apples, at \$1.75, \$87.50. (*Rule 3, part a, page 7; Journal illustrated, page 13.*)
8. Received, cash, of Hiram J. Rice for the 50 barrels of Apples purchased on the 3rd inst., \$300. (*Rule 4, part b, page 7; illustration page 13.*)
9. Bought of C. G. Weaver, on account at 30 days, 50 bushels of Oats, at 40 cents, \$20, and 35 bushels of Corn, at 62 cents, \$21.70; total, \$41.70. (*Rule 4, part a, page 7; illustration, page 13.*)
12. Paid John Snow, cash, for the 100 barrels of Flour purchased of him on the 2nd inst., \$525. (*Rule 3, part b.*)
14. Paid S. M. Baker the amount due him for bill of the 4th inst., in cash, \$375.
15. Paid Nathan Goodman, cash, for the Horse and Wagon purchased on the 6th inst., \$150.
17. Received, cash, of D. W. Fenner, in full of his purchase of the 7th inst., \$87.50. (*Rule 4, part b.*)

March 1, 190-

Student	Cr.		1000
Investment			
<sup>2</sup> John Snow	Cr.		525
100 bbls. Flour at	5.25		
<sup>3</sup> Kiram J. Rice	Dr.		300
50 bbls. Flour at	6.00		
<sup>4</sup> S. M. Baker	Cr.		375
250 bbls. Apples at	1.50		
<sup>6</sup> Nathan Goodman	Cr.		150
Horse and Wagon			
<sup>7</sup> D. W. Fenner	Dr.		87 50
50 bbls. Apples at	1.75		
<sup>8</sup> Kiram J. Rice	Cr.		300
Cash in full of account.			
<sup>9</sup> C. J. Weaver	Cr.		
50 bush. Oats at 40 cents		20	
35 " Corn at 62 "		21 70	41 70

## FOURTH EXERCISE.

You will now make the Journal entries in the following series of transactions as instructed in the preceding exercise. The Journal is not given, but illustrations will be found on pages 15 and 16, containing transactions similar in character, and involving precisely the same principles as those which are to be journalized; and as each of these similar transactions is accompanied by its proper Journal entry, it is believed that no further aid in performing this work will be required. It is suggested that you make yourself independent of such aid as soon as possible. This may be done by studying the rules referred to in connection with the entries given as aids. The Cash Book entries will be omitted.

## SERIES OF TRANSACTIONS.

APRIL, 190-

1. Commenced business this day with a cash capital of \$2000. (*See Example No. 1, page 15.*)
2. Bought of Wm. Hamilton, on account at 10 days, 200 bbls. of Flour, at \$5.50, \$1100. (*See Example No. 2, page 15.*)
3. Sold L. H. Robinson, on account at 15 days, 50 bbls. of Flour, at \$6.25, \$312.50. (*See Example 3, page 15.*)
5. Bought of P. W. Manning, on account at 15 days, 300 bush. of Corn, at 50¢, \$150. (*See Example 2, page 15.*)
6. Sold M. S. Hastings, on account at 20 days, 25 bbls. of Flour, at \$6.15, \$153.75, and 50 bush. of Corn, at 55¢, \$27.50; total, \$181.25. (*Ex. 4, page 15.*)
8. Bought of D. A. Watson, on account at 15 days, 100 bbls. of Flour, at \$5.25, \$525, and 250 bush. of Oats, at 40¢, \$100; total \$625. (*Ex. 5, page 15.*)
9. Sold John Benham 150 bush. of Oats, at 46¢, \$69. Received, cash, \$40; balance to be paid on the 25th inst. (*Ex. 6, page 16.*)
10. Bought of Hatch & Crane, 300 bbls. of Flour, at \$5.20, \$1560. Paid, cash, \$500; balance to be paid in 20 days. (*Ex. 7, page 16.*)
12. Paid Wm. Hamilton \$1100, cash, in full of purchase of the 2nd inst. (*Ex. 8, page 16.*)
13. Bought of S. H. Porter, a Horse and Wagon for the use of the business, for which I agreed to pay \$225 in 30 days. (*Ex. 9, page 16.*)
18. Received, cash, of L. H. Robinson, in full of his purchase of the 3rd inst., \$312.50. (*Ex. 10, page 16.*)
20. Paid P. W. Manning, cash, in full of my purchase of the 5th inst., \$150. (*Ex. 8, page 16.*)
23. Paid D. A. Watson, cash, in full of my purchase of the 8th inst., \$625. (*Ex. 8, page 16.*)
25. Received, cash, of John Benham, in full of balance of his purchase of the 9th inst., \$29. (*Ex. 11, page 16.*)
26. Received, cash, of M. S. Hastings, in full of his purchase of the 6th inst., \$181.25. (*Ex. 10, page 16.*)



## ILLUSTRATIONS.

The following transactions are similar in character to those contained in the Fourth Exercise, and the Journal entries are given, together with appropriate explanations, so that by comparing the transactions in the Fourth Exercise with these, it is believed you will be enabled to make the Journal entries required. You will consult the Rules for Journalizing referred to, so that upon the completion of the work they may be firmly fixed in your mind.

## EXAMPLE No. 1.

APRIL, 190—,

<i>Transaction.</i>	<i>Journal Entry.</i>			
1. Commenced business this day with a cash capital of \$3000. (See Rule 1, part a, page 7.)	1. Student, Investment,	Cr.		3000

## EXAMPLE No. 2.

<i>Transaction.</i>	<i>Journal Entry.</i>			
2. Bought of Nathaniel Wood, 1200 bbls. of Apples, at \$2, on acct. at 10 days, \$2400. (See Rule 4, part a, page 7.)	2. Nathaniel Wood, 1200 bbls. Apples at 2.00. Due in 10 days.	Cr.		2400

## EXAMPLE No. 3.

<i>Transaction.</i>	<i>Journal Entry.</i>			
3. Sold Byron Sage, on acct. at 15 days, 500 bbls. of Apples, at \$2.25, \$1125. (See Rule 3, part a, page 7.)	3. Byron Sage, 500 bbls. Apples at 2.25. Due in 15 days.	Dr.		1125

## EXAMPLE No. 4.

<i>Transaction.</i>	<i>Journal Entry.</i>			
6. Sold A. W. Payne, on acct. at 20 days, 500 bbls. of Apples, at \$2.25, \$1125, and 300 bbls. of Potatoes, at \$1.25, \$375; total, \$1500. (See Rule 3, part a, page 7.)	6. A. W. Payne, 500 bbls. Apples at 2.25. 300 " Potatoes at 1.25. Due in 20 days.	Dr.	1125 375	1500

## EXAMPLE No. 5.

<i>Transaction.</i>	<i>Journal Entry.</i>			
8. Bought of Chas. Roberts, on acct. at 15 days, 1000 bbls. Apples, at \$2, \$2000; and 500 bbls. Potatoes, at \$1.10, \$550; total, \$2550. (See Rule 4, part a, page 7.)	8. Chas. Roberts, 1000 bbls. Apples at 2.00. 500 " Potatoes at 1.10. Due in 15 days.	Cr.	2000 550	2550

## EXAMPLE No. 6.

<i>Transaction.</i>	<i>Journal Entry.</i>
9. Sold Benj. Johnson 350 bbls. of Apples, at \$2.50, \$875. Received, cash, \$500; balance to be paid on the 25th inst. (See Rule 3, part a, page 7.) (See Rule 4, part b, page 7.)	9. Benj. Johnson, Dr. 875 350 bbls. Apples at 2.50. " " Benj. Johnson, Cr. 500 Cash on above.

## EXAMPLE No. 7.

<i>Transaction.</i>	<i>Journal Entry.</i>
10. Bought of Howe & Ward, 1000 bbls. of Apples, at \$2, \$2000. Paid cash, \$1000; balance to be paid in 15 days. (See Rule 4, part a, page 7.) (See Rule 3, part b, page 7.)	10. Howe & Ward, Cr. 2000 1000 bbls. Apples at 2.00. " " Howe & Ward, Dr. 1000 Cash on above.

## EXAMPLE No. 8.

<i>Transaction.</i>	<i>Journal Entry.</i>
12. Paid Nathaniel Wood, \$1200, cash, in full of purchase of the 2nd inst. (See Rule 3, part b, page 7.)	12. Nathaniel Wood, Dr. 1200 Cash in full of acct.

## EXAMPLE No. 9.

<i>Transaction.</i>	<i>Journal Entry.</i>
13. Bought of D. J. Warner, a Horse and Wagon for the use of the business, for which I agreed to pay \$250 in 60 days. (See Rule 4, part a, page 7.)	13. D. J. Warner, Cr. 250 Horse and Wagon. Due in 60 days.

## EXAMPLE No. 10.

<i>Transaction.</i>	<i>Journal Entry.</i>
18. Received, cash, of Byron Sage, in full of his purchase of the 3rd inst., \$1125. (See Rule 4, part b, page 7.)	18. Byron Sage, Cr. 1125 Cash in full of bill of the 3rd inst.

## EXAMPLE No. 11.

<i>Transaction.</i>	<i>Journal Entry.</i>
25. Received, cash, of Benj. Johnson, in full of the balance of his purchase of the 9th inst., \$375. (See Rule 4, part b, page 7.)	25. Benj. Johnson, Cr. 375 Cash for balance of bill of the 9th inst.

May. 1, 190-

Student	Cr.			2500
Investment				
<sup>2</sup> Gardner Allen, Jr.	Cr.			1100
200 bbls Flour	5.50			
<sup>4</sup> J. Wilson	Dr.			625
100 bbls. Flour	6.25			
<sup>7</sup> Nicholas Boyer	Cr.			750
500 bbls. Apples	1.50			
<sup>11</sup> J. Wilson	Dr.			180
100 bbls. Apples	1.80			
<sup>12</sup> Gardner Allen, Jr.	Dr.			1100
Cash in full of account				
<sup>14</sup> J. Wilson	Cr.			625
Cash. bill of 4th inst.				
<sup>15</sup> Seymour Gates	Dr.			336 50
125 bbls. Apples	1.70	212	50	
20 " Flour	6.20	124		



May, 190-

1	Investment		2500		
6	25 bbls. Salt	1.25	31.25		
8	125 " Apples	1.75	218.75		
14	J. Wilson, bill of 4th inst.		625		

## JOURNAL AND CASH BOOK.

In the following exercise the Journal and Cash Book are both to be used. You will make the entries in these books as directed in the General Rules for Single Entry on page 5, and as illustrated on pages 17, 18, and 19. Consult the Rules, when so directed, in order that they may become so firmly fixed in your mind as to make it unnecessary to refer to them hereafter.

## FIFTH EXERCISE.

## SERIES OF TRANSACTIONS.

MAY, 190-,

- Commenced business this day with a cash capital of \$2500. (*Journal and Cash Book. See Rule 1, part a, page 7, Rule 5, page 7, and also illustrations on pages 17 and 18.*)
- Bought of Gardner Allen, Jr., on account at 10 days, 200 bbls. of Flour, at \$5.50, \$1100. (*Journal. See Rule 4, part a, page 7, and illustration on page 17.*)
- Bought of Henry Walker, for cash, 100 bbls. of Salt, at \$1, \$100. (*Cash Book. Rule 6, page 7.*)
- Sold J. Wilson, on account at 10 days, 100 bbls. of Flour, at \$6.25, \$625. (*Journal. Rule 3, part a, page 7.*)
- Sold P. R. Smith, for cash, 25 bbls. of Salt, at \$1.25, \$31.25. (*Cash Book. Rule 5, page 7.*)
- Bought of Nicholas Boyer, on account at 15 days, 500 bbls. of Apples, at \$1.50, \$750. (*Journal. Rule 4, part a, page 7.*)
- Sold M. D. Young, for cash, 125 bbls. of Apples, at \$1.75, \$218.75. (*Cash Book. Rule 5.*)
- Bought of A. B. Clark & Co., for cash, 100 bush. of Corn, at 60 cents, \$60. (*Cash Book. Rule 6.*)
- Sold J. Wilson, on account at 30 days, 100 bbls. of Apples, at \$1.80, \$180. (*Journal. Rule 3, part a.*)
- Paid Gardner Allen, Jr., cash, in full of bill of the 2nd inst., \$1100. (*Journal and Cash Book. Rule 3, part b, and Rule 6.*)

May, 190-

3	100 bbls. Salt	1.00	100			
10	100 bu. Corn	60¢	60			
12	Gardner Allen, Jr. in full		1100			

14. Received, cash, of J. Wilson, in full of bill of the 4th inst., \$625. (*Journal and Cash Book. Rule 4, part b, page 7. Debit side of Cash Book, Rule 5, page 7.*)
15. Sold Seymour Gates, on account at 5 days, 125 bbls. of Apples, at \$1.70, \$212.50; 20 bbls. of Flour, at \$6.20, \$124; total, \$336.50. (*Journal. Rule 3, part a, page 7.*)

The special instructions and the references to rules will be omitted in the remainder of this exercise, as it is believed that you will now be able to continue the work without such assistance. Should you be uncertain as to the correctness of an entry, refer to the General Rules on page 7, or to a similar transaction in the first part of this exercise.

17. Bought of Gardner Allen, Jr., on account at 15 days, 300 bush. of Oats, at 42 cents, \$126.
18. Sold, for cash, 150 bush. of Oats, at 48 cents, \$72.
19. Bought, for cash, 2 tons of Coal, for use of store, at \$5, \$10.
20. Received, cash, of Seymour Gates, in full of bill of the 15th inst., \$336.50.
22. Paid Nicholas Boyer, cash, in full of account, \$750.
23. Sold Seymour Gates, on account at 10 days, 50 bbls. of Flour, at \$5.75, \$287.50.
25. Sold J. Wilson, on account at 5 days, 50 bbls. of Flour, at \$6, \$300, and 25 bbls. of Salt, at \$1.30, \$32.50; total, \$332.50.
26. Bought of Gardner Allen, Jr., on account at 15 days, 200 bbls. of Flour, at \$5.50, \$1100, and 200 bush. of Oats, at 42 cents, \$84; total, \$1184.
28. Sold Seymour Gates, on account, 100 bbls. of Flour, at \$6, \$600, and 100 bush. of Oats, at 48 cents, \$48; total, \$648.
30. Received, cash, of J. Wilson, in full of bill of the 25th inst., \$332.50.

After completing the above work you will next balance the Cash Book. Should you need assistance in doing so, refer to the instructions for Balancing the Cash Book, on pages 10 and 11. Take special pains with the ruling. Remember that all ruling should be done with *red ink*. The footing of the debit side of the Cash Book should be \$4116, and of the credit side, \$2020.

## QUESTIONS.

Page 8.—<sup>61</sup>How many methods of keeping a Cash Book are there? <sup>62-63</sup>Describe each method. Pages 10-11.—<sup>64-76</sup>Describe the manner of "balancing" a Cash Book in which opposite pages are used for the receipts and payments. What colored ink should be used for rulings? Page 7.—Give the General Rules for Single Entry Book-keeping.



June 1, 190-

1	Student	Cr.	3500
	Investment		
	"		
1	Student	Dr.	376.85
	Acct. due Jones & Bro.		
	"		
1	Jones & Bro.	Cr.	376.85
	Balance of account		
	4		
2	Wm Simpson	Cr.	550
	100 bbls. Flour at	5.50	
	5		
2	John Hammond	Dr.	156.25
	25 bbls. Flour at	6.25	
	"		
2	John Hammond	Cr.	100
	Cash on above purchase		
	8		
3	Chas. B. Corning	Dr.	366.
	60 bbls. Flour at	6.10	
	"		
3	Chas. B. Corning	Cr.	150
	Cash on above purchase		
	9		
2	Wm. Simpson	Cr.	1620
	300 bbls. Flour at	5.40	

## JOURNAL, CASH BOOK, AND LEDGER.

## SHOWING RESULTS.

<sup>1</sup> In the following set the Journal and Cash Book are to be used the same as in the preceding exercise; that is, all cash entries will be made in the Cash Book, and all others in the Journal; and <sup>2</sup> it is designed that results shall be shown at the close of the month. That is, <sup>3</sup> it shall be shown whether there is a Gain or a Loss; what the amount of such gain or loss is; the amount of the Resources and Liabilities, and of what they consist; and finally, what the interest of the proprietor in the business is at that date.

<sup>4</sup> To ascertain a part of these facts it will be necessary to introduce the Ledger, and to post to that book <sup>5</sup> all of the debits and credits to persons, so as <sup>6</sup> to enable the proprietor to know just how much he owes others as well as how much others owe him. (*See description of the Ledger on page 6.*)

## SIXTH EXERCISE.

## SERIES OF TRANSACTIONS.

JUNE, 190-,

1. Commenced business this day, investing \$3500, in cash. (*Journal and Cash Book.*)
- " I owe Jones & Bro., on account, due June 12, \$376.85. (*Journal, Rule 2, part a. See illustration, page 20.*)
2. Paid 1 month's rent of store in advance, in cash, \$50. (*Cash Book, Rule 6, page 7.*)
3. Bought a Horse and Wagon for use of store, for which I paid cash, \$145.
4. Bought of Wm. Simpson, on account at 10 days, 100 bbls. Flour, at \$5.50, \$550. (*Rule 4, part a.*)
5. Sold John Hammond 25 bbls. Flour, at \$6.25, \$156.25. Received \$100, cash; balance, \$56.25, to be paid on the 20th. (*Rule 3, part a. Rule 4, part b. Rule 5.*)

<sup>7</sup> When a purchase is partly paid for at the time it is made, as in the foregoing, it is customary to debit the purchaser for the entire amount of the bill, and credit him for the payment made, instead of <sup>8</sup> merely debiting him for the amount remaining unpaid. <sup>9</sup> It will be apparent that the result would be the same by either plan, but <sup>10</sup> the former makes a more complete record of the transaction.

7. Bought of Robert Wentworth, for cash, 300 bush. Oats, at 40¢, \$120; 250 bush. Corn, at 60¢, \$150; total, \$270.
8. Sold Chas. B. Corning, 60 bbls. Flour, at \$6.10, \$366. Received in part payment \$150, cash; balance, \$216, to be paid in 10 days. (*Journal and Cash Book.*)
9. Bought of Wm. Simpson, 300 bbls. Flour, at \$5.40, \$1620. Paid one-half, \$810, in cash; balance to be paid in 30 days. (*Rule 4, part a. Rule 3, part b. See page 42.*)

Credit Wm. Simpson with the entire amount of the purchase, and debit him with the payment.

10. Sold John Hammond 25 bbls. Flour, at \$6.25, \$156.25; 100 bush. Oats, at 45¢, \$45; 100 bush. Corn, at 70¢, \$70; total, \$271.25. Received in part payment, \$150, cash; balance, \$121.25, to be paid in 90 days.
11. Bought of Robert Wentworth, 200 bush. Oats, at 40¢, \$80; 250 bush. Corn, at 60¢, \$150; total, \$230. Paid \$125, cash; balance, \$105, due in 15 days.
12. Paid Jones & Bro., cash, for the amount due them on account, \$376.85.
13. Sold Myron G. Reed 100 bush. Oats, at 48¢, \$48; 75 bush. Corn, at 65¢, \$48.75; total, \$96.75. Received \$50, cash; balance, \$46.75, to be paid in 15 days.

14. Paid Wm. Simpson, cash, for amount of the purchase of the 4th inst., due to-day, \$550.
15. Bought of Robert Wentworth, 300 bush. Oats, at 40¢, \$120; 400 bush. Corn, at 60¢, \$240; total, \$360. Paid one-half of the bill \$180, in cash; balance to be paid in 30 days. (*Rule 4, part a. Rule 3, part b. Rule 6.*)
16. Sold Geo. W. Young, on account at 10 days, 200 bush. Oats, at 50¢, \$100; 150 bush. Corn, at 70¢, \$105; total, \$205.
17. Paid, cash, for a Harness, \$17.25.
18. Received, cash, of Chas. B. Corning, for balance of bill of the 8th inst., \$216.
20. Received, cash, of John Hammond, for balance of bill of the 5th inst., \$56.25.
21. Sold Chas. B. Corning, 50 bbls. Flour, at \$6.50, \$325. Received, cash, \$175; balance to be paid in 30 days.
22. Sold John Hammond, on account at 10 days, 100 bush. Oats, at 48¢, \$48; 75 bush. Corn at 70¢, \$52.50.
25. Bought, for cash, 300 bbls. Flour, at \$5.25.
26. Paid Robert Wentworth, cash, for balance of bill of the 11th inst., \$105.  
" Received, cash, of Geo. W. Young, in full of his purchase of the 16th inst., \$205.
27. Sold Chas. B. Corning 50 bbls. Flour, at \$6, \$300; 100 bush. Oats, at 48¢, \$48; 100 bush. Corn, at 65¢, \$65; total, \$413. Received, cash, \$200; balance to be paid in 10 days.
28. Received, cash, of Myron G. Reed, in full of balance of bill of the 13th inst., \$46.75.
30. Paid clerk's salary for the month, in cash, \$60.

*Monday*  
You will now balance and rule up your Cash Book, as illustrated on pages 8 and 9. Your balance of cash should be \$584.90. You will then open your Ledger and post to that book all of the debits and credits to persons contained in the Journal, as stated at the opening of this month's business, viz.: by "opening an account in the Ledger with each person whose name appears in the Journal, and placing the amounts for which he is debited on the left-hand or Dr. side of his account, and the amounts for which he is credited on the right-hand or Cr. side of his account.

That you may be able to perform the posting required in this set with certainty as to results, as well as to a perfect understanding of the process, the following minute

## INSTRUCTIONS FOR POSTING,

are given, and you are to follow those instructions with the *closest fidelity*, performing the work *step by step* as directed.

### JUNE 1. (*First Entry.*)

The first account opened in the Ledger is usually, although not necessarily, that of the proprietor of the business. Usually the proprietor's name appears in the first Journal entry, hence his account is naturally the first to be opened in the Ledger. "You will therefore write at the center of the blue line at the top of the first page in your Ledger, in a bold, plain hand, your name. (*See illustration on page 26.*) "Next, on the right-hand, or *credit* side, of the heavy line in the center of the page, write, in the date column, the date, *June 1*, "in the explanation column, the explanation, *Investment*, "in the journal page column, the page of the Journal, *1*, and "in the amount column the amount, *\$3500*. "Then, in the Journal, opposite your name, you will write the page of the Ledger to which this entry has been



posted, 1. (See illustrations on pages 20 and 26.) This completes the posting of your investment; but it still remains to debit your account with the amount you owe Jones & Bro.

You will therefore post.

JUNE 1. (*Second Entry.*)

by writing on the left-hand, or *debit* side of your account, in the date column, the date, *June 1*, in the explanation column, *Jones & Bro.*, in the journal page column, the page of the Journal, 1, and in the amount column, the amount, \$376.85. Then check this posting in the Journal by placing the Ledger page, to which it was posted, 1, in the check column in the Journal opposite the name of Jones & Bro. (See *Journal and Ledger illustrations.*)

JUNE 1. (*Third Entry.*)

Next, Jones & Bro. should be credited in the Ledger for the amount which you owe them, as the Ledger must be made to show all amounts in which you are indebted to others, as well as all amounts which others owe you. You will therefore open an account with Jones & Bro., in a bold, plain hand, half way between the top and bottom of page 1, in the Ledger, as illustrated on page 26. Then, write in the date column, on the first line below Jones & Bro., on the right-hand, or *credit* side of the heavy center line, the date, *June 1*, in the explanation column, *Balance of Acct.*, in the journal page column the page of the Journal, 1, and in the amount column the amount, \$376.85. You will then check the entry in the Journal, to show that it has been posted, by writing the page of the Ledger to which it has been posted, 1, in the check column opposite the name of Jones & Bro. (See *illustrations.*)

JUNE 4.

<sup>18</sup> Open an account with Wm. Simpson, by writing his name in a bold, plain hand, at the top of page 2, in the Ledger. <sup>19</sup> Then enter on the right-hand, or *credit* side, in the date column, the date, *June 4*, <sup>20</sup> in the explanation column, *Mdse.*, <sup>21</sup> in the journal page column the page of the Journal, 1, and <sup>22</sup> in the amount column, the amount, \$550. Then check this in the Journal by writing the page of the Ledger to which it has been posted, 2, in the check column opposite the name of Wm. Simpson. (See *Journal and Ledger illustrations.*)

JUNE 5.

Open an account with John Hammond half way between the top and bottom of page 2. You will observe that on this date John Hammond is debited for the cost of a quantity of merchandise bought of you, and that he is credited for a cash payment made upon it. You will therefore enter on the left-hand, or *debit* side of this account, in the date column, the date, *June 5*, in the explanation column the explanation, *Mdse.*, in the journal page column the page of the Journal, 1, and in the amount column, the amount, \$156.25. Then check the entry in the Journal by placing the page of the Ledger, 2, in the check column opposite the name of John Hammond.

JUNE 5. (*Second Entry.*)

In the preceding entry John Hammond was debited for a quantity of merchandise purchased, and, in this entry, he should be credited for a payment of \$100, which he made upon it. You will therefore enter on the right-hand, or *credit* side, of John Hammond's account in the Ledger, the date of this entry, *June 5*, in the date column, the page of the Journal, 1, in the journal page column, the explanation, *Cash*, in the explanation column, and the amount, \$100, in the amount column. You will then check the entry in the Journal, to show that it has been posted, by writing the page of the Ledger, 2, in the check column opposite the name of John Hammond.

## JUNE 8.

Open an account with Chas. B. Corning at the top of page 3. Then write in the date column, on the *debit* side, the date, *June 8*, in the explanation column, *Mdse.*, in the journal page column, the page of the Journal, *1*, and in the amount column, the amount, *\$366*. Then check the entry in the Journal, using the page of the Ledger, *3*, as before directed.

JUNE 8. (*Second Entry.*)

Enter on the *credit* side of Chas. B. Corning's account in the Ledger, the date, *June 8*, the explanation, *Cash*, the page of the Journal, *1*, and the amount, *\$150*. Check the entry.

## JUNE 9.

On the *credit* side of Wm. Simpson's account in the Ledger, enter the date, *June 9*, the explanation, *Mdse.*, the page of the Journal, *1*, and the amount, *\$1620*. Then check the entry in the Journal opposite the name of Wm. Simpson, using the page of the Ledger, *2*.

JUNE 9. (*Second Entry.*)

On the *debit* side of Wm. Simpson's account, enter the date, *June 9*, the explanation, *Cash*, the page of the Journal, *1*, and the amount, *\$810*. Then check the entry in the Journal opposite the name of Wm. Simpson, using the page of the Ledger, *2*.

## JUNE 10.

Enter on the *debit* side of John Hammond's account, on page 2 of the Ledger, the date of the entry, *June 10*, the explanation, *Mdse.*, the Journal page, *2*, and the amount, *\$271.25*. Check the entry in the Journal as before directed.

JUNE 10. (*Second Entry.*)

On the *credit* side of John Hammond's account, enter the date, *June 10*, the explanation, *Cash*, the Journal page, *2*, and the amount, *\$150*, and remember to check the entry.

## JUNE 11.

Open an account with Robert Wentworth, in the middle of page 3, and credit him under this date, *11*, *Mdse.*, *\$230*, remembering to check in the Ledger with Journal page, *2*, and in the Journal with the Ledger page, *3*.

JUNE 11. (*Second Entry.*)

Debit Robert Wentworth in the Ledger under this date, *11*, *Cash*, *\$125*, and check both in Ledger and Journal.

## JUNE 12.

Debit Jones & Bro., page 1, *Cash*, *\$376.85*. (*See notes under June 18 and 26, page 25.*)

## JUNE 13.

Open an account with Myron G. Reed, at the top of page 4 of the Ledger, and debit him under this date, *Mdse.*, *\$96.75*. Date and check, both in Ledger and Journal.

JUNE 13. (*Second Entry.*)

Credit Myron G. Reed, *Cash*, *\$50*. Date the entry and make the proper check marks.

## JUNE 14.

Debit Wm. Simpson, on Ledger page 2, *Cash*, *\$550*. Date and check in both books.

JUNE 15.

Credit Robert Wentworth, Ledger page 3, *Mdse.*, *\$360*. Date and check.



JUNE 15. (*Second Entry.*)Debit Robert Wentworth, Ledger page 3, *Cash*, \$180. Date and check.

JUNE 16.

Open an account with Geo. W. Young in the middle of page 4, in your Ledger and debit him under this date, *Mdse.*, \$205.

JUNE 18.

Credit Chas. B. Corning, *Cash*, \$216. Remember to date and check *every entry.*

<sup>24</sup> When an account in the Ledger is made to balance by a payment, as is the case with that of Chas. B. Corning, it should be ruled up and footed at once. <sup>25</sup> When several entries have been made in the account, a single *red line* should be drawn on the *blue line* immediately under the amount occupying the lowest line in the account, whether debit or credit, and another on the other side of the account on *the same blue line*. These lines should be drawn across the money columns only. Then, on the next blue line below, draw a double red line across the debit date column, another across the debit check column, the debit money column and the credit date column, and another across the credit check column and credit money column. You will then write the footings of the account between the rulings. (*See illustration below.*)

*Chas. B. Corning*

190-				190-			
June 5	Mdse.	1	266	June 8	Cash	1	150
						3	216
			266				266

JUNE 20.

Credit John Hammond, *Cash*, \$56.25.

JUNE 21.

Debit Chas. B. Corning, *Mdse.*, \$325.JUNE 21. (*Second Entry.*)Credit Chas. B. Corning, *Cash*, \$175.

JUNE 22.

Debit John Hammond, *Mdse.*, \$100.50.

JUNE 26.

Debit Robert Wentworth, *Cash*, \$105.JUNE 26. (*Second Entry.*)Credit Geo. W. Young, *Cash*, \$205.

Rule up Geo. W. Young's account. <sup>26</sup> Since there is but one entry on each side, the double lines only will be necessary, <sup>27</sup> which should be placed on the blue line immediately under the figures.

JUNE 27.

Debit Chas. B. Corning, *Mdse.*, \$413.JUNE 27. (*Second Entry.*)Credit Chas. B. Corning, *Cash*, \$200.

JUNE 28.

Credit Myron G. Reed, *Cash*, \$46.75. (*Rule up Reed's account.*)

This account will occupy  
the upper half of page 1.

Student							
Date	Explanation	Journal Page	Amount	Date	Explanation	Journal Page	Amount
June	Jones & Bro	1	376 85	June	Investment	1	3500

This account will occupy  
the lower half of page 1.

Jones, & Bro.							
Date	Explanation	Journal Page	Amount	Date	Explanation	Journal Page	Amount
June	Bal of acct.		376 85				

This account will occupy  
the upper half of page 2.

Wm. Simpson							
Date	Explanation	Journal Page	Amount	Date	Explanation	Journal Page	Amount
June	Cash	1	510	June 4	Mdse	1	550
				" 9	"	1	1620

This account will occupy  
the lower half of page 2.

John Hammond							
Date	Explanation	Journal Page	Amount	Date	Explanation	Journal Page	Amount
June 5	Mdse	1	156 25	June 5	Cash	1	100

This account will occupy  
the upper half of page 3.

Chas. B. Corning							
Date	Explanation	Journal Page	Amount	Date	Explanation	Journal Page	Amount
June 1	Mdse	1	366	June 1	Cash	1	150

## RESULTS OF THE BUSINESS.

You will now show from your records and from the property you have on hand, what your present worth is, what has been your gain or loss, and of what your property at present consists. As stated on page 6, <sup>28</sup>the Present Worth may be obtained by finding the difference between the amount of the resources and the amount of the liabilities, and <sup>29</sup>the Net Gain or Net Loss may be obtained by finding the difference between the net investment and the present worth. It will be obvious to you that <sup>30</sup>the Resources consist of debts due you, and of property, of whatever character, in your possession, and that <sup>31</sup>the Liabilities are all the debts you owe. You will now proceed to make a list of your resources and liabilities.

The first resources to be considered are the various kinds of property on hand which are not shown by the books. <sup>32</sup>Such property is estimated, usually, at cost, unless there has been a marked change in its value since it was purchased.

Such <sup>33</sup>a list of stock on hand is called an

## INVENTORY,

which in this case consists of

490 bbls. Flour, at \$5.50, .....	2695.00	
200 bush. Oats, at 40 cents, .....	80.00	
400 " Corn, at 60 cents, .....	240.00	
		3015.00
Horse and Wagon, bought for use of business, .....	145.00	
Harness, valued at .....	15.00	
Total amount of Inventory, .....		3175.00

The next resource is

## CASH.

Amount received, shown by debit side of Cash Book, .....	4849.00	
" paid, " " credit " " " " .....	4264.10	
Amount of cash on hand, .....	584.90	

The remaining resources are

## PERSONAL ACCOUNTS IN MY FAVOR.

John Hammond, debit of his Ledger account, .....	528.00	
credit " " " .....	306.25	
Balance of account, my favor, .....		221.75
Chas. B. Corning, debit of his Ledger account, .....	738.00	
credit " " " .....	375.00	
Balance of his account, my favor, .....		363.00
Total personal accounts in my favor, .....		584.75

The liabilities are

## PERSONAL ACCOUNTS WHICH I HAVE TO PAY.

Wm. Simpson, credit of his Ledger account, .....	2170.00	
debit " " " .....	1360.00	
Balance of account, his favor, .....		810.00
Robert Wentworth, credit of his Ledger account, .....	590.00	
debit " " " .....	410.00	
Balance of account, his favor, .....		180.00
Total of personal accounts, which I have to pay, .....		990.00



From the above list of resources and liabilities a complete statement of the property and debts of the business may be made. Such a statement is usually and properly called a

### STATEMENT OF RESOURCES AND LIABILITIES.

RESOURCES.	
Inventory, .....	3175.00
Personal Accounts, receivable, .....	584.75
Cash, balance of Cash Book, .....	584.90
Total Resources, .....	4344.65
LIABILITIES.	
Personal Accounts, payable, .....	990.00
My Present Worth, .....	3354.65
Investment, .....	3500.00
Due Jones & Bro., .....	376.85
Net Investment, .....	3123.15
Net gain for the month, .....	231.50

<sup>34</sup>To make your account in the Ledger show what it should, viz.: your real present interest in the business, it will now be necessary to place on the credit side of that account the net gain, as shown above. You will therefore write in black ink on the right-hand, or credit side of your account the date, *June 30*, for explanation, *Net Gain*, and the amount, *\$231.50*. (See illustration on opposite page.)

The difference between the sides of your account will now show your present worth, as exhibited by the Statement of Resources and Liabilities, viz.: *\$3354.65*. This amount should be placed on the debit side as follows: Write in the date column in *red ink* the date, *June 30*, in the explanation column, *Present Worth*, in the check column, *1* (as the amount is to be transferred below the rulings on the opposite side of your account, which is on page 1 of the Ledger), and in the amount column, the amount, *\$3354.65*. (See illustration on opposite page.) Next rule and foot the account as follows: Draw *one red line* across the money column on both sides of the account and directly on the blue line upon which the net gain was written (see illustration on opposite page); now rule *two red lines*, one on the next blue line below and the other immediately under it, extending the lines across, first, the debit date column; second, across the debit check column and the credit date column; third, across the credit check and credit money columns—in other words, rule across the entire width of the page, excepting across the explanation columns. (See illustration on opposite page.) Next write the footing of the account in the money column, between the single and double rulings. Next transfer the present worth below the rulings on the credit side of the account by writing in *black ink* in the date column, *July 1*, as this is your capital at the beginning of July, in the explanation column, *Present Worth*, in the check column, *1*, to indicate the page of the Ledger from which this was transferred, and in the amount column the amount, *\$3354.65*.

You will now observe that your account in the Ledger has been made to show your interest in the business on June 30th.

<sup>35</sup>It should not be inferred that it is customary in business to make a statement of resources and liabilities and show results as often as once a month. Semi-yearly or yearly statements are regarded sufficiently frequent. It has been shown that to make such a statement it is necessary to take an inventory, which, in the case of a large stock of mixed goods, is attended with so much labor that frequent exhibits are wholly impracticable.

*Student*

190-				190-			
June	Jones & Bros.		376 55	June	Investment		3500
"	Present Worth		3354 65	"	Net Gain		221 50
			2731 50				3731 50
				July	Present Worth		3354 65

Questions upon some of the principles involved in the preceding exercise are given below, and you should be prepared to answer them if called upon to do so. Before proceeding further, therefore, study carefully the answers to the following

## QUESTIONS.

Page 21.—<sup>1</sup> How are the Journal and Cash Book used in this set? <sup>2</sup> What is designed to be shown at the close of the month? <sup>3</sup> Explain what is meant by results. <sup>4</sup> What additional book was it necessary to introduce? <sup>5</sup> What is a Single Entry Ledger designed to contain? <sup>6</sup> By its use, what is the proprietor enabled to know? <sup>7</sup> When a purchase is partly paid for at the time it is made, what entries are usually made? <sup>8</sup> What other form of entry might be made? <sup>9</sup> Would there be any difference in the result by either plan? <sup>10</sup> Why is the first form preferred? Page 22.—<sup>11</sup> How is the posting done? <sup>12-17</sup> Tell how you would post the following journal entry: *June 1, Student, Cr. (Investment), \$3500.* Page 23.—<sup>18-23</sup> Tell how you would post the following journal entry: *June 4, Wm. Simpson, Dr. (Mdse.), \$550.* Page 25.—<sup>24</sup> When should an account in the Ledger be ruled up and footed? <sup>25</sup> Explain the process of ruling and footing an account in which there are several entries? <sup>26-27</sup> How is an account closed in which there is but one entry on each side? Page 27.—<sup>28</sup> How may the Present Worth of a business be ascertained? <sup>29</sup> How may the Net Gain or Net Loss be found? <sup>30</sup> Of what do the Resources of a business consist? <sup>31</sup> Of what do the Liabilities consist? <sup>32</sup> What is an Inventory? <sup>33</sup> How is property on hand usually estimated at the time of taking inventory? Page 28.—<sup>34</sup> How can the proprietor's account be made to show his present interest in the business? <sup>35</sup> How frequently are statements of resources and liabilities made in business?

## SEVENTH EXERCISE.

You are now prepared to begin the work of July, which will be a continuation of that of June. All of the entries in the Journal will be posted to the accounts in the Ledger already opened, and should it be necessary, new accounts will be opened. The cash transactions will be recorded in the Cash Book immediately under those of June.

Since the following exercise is of the same general character as the preceding one, it is believed you will be able to make the entries in the Journal and Cash Book without difficulty. Should doubt arise as to the proper form of an entry, it is suggested that you consult the preceding exercise, where you will find entries involving exactly the same principles as govern those in this exercise.



## SERIES OF TRANSACTIONS.

JULY, 190—,

1. Paid one month's rent in advance, in cash, \$50. (*C. B.*)
- " Sold John Hammond 50 bbls. Flour, at \$6.25, \$312.50; 75 bush. Corn, at 75¢, \$56.25; 50 bush. Oats, at 50¢, \$25. Received, cash, \$200; balance to be paid July 15th. (*J. and C. B.*)
2. Sold, for cash, 100 bbls. Flour, at \$6, \$600. (*C. B.*)
3. Sold Myron G. Reed, 100 bush. Corn, at 70¢, \$70; 50 bush. Oats, at 50¢, \$25; 75 bbls. Flour, at \$6.25, \$468.75. Received \$300, cash; balance to be paid in 15 days. (*J. and C. B.*)
- " Sold Geo. W. Young, on account at 30 days, 100 bbls. Flour, at \$6.25, \$625. (*J.*)
5. Received of John Hammond, \$100.50, cash, in full of bill of June 22. (*J., C. B.*)
7. Received, cash, of Chas. B. Corning, for balance of bill of June 27, \$213. (*J., C. B.*)
8. Sold, for cash, 50 bbls. Flour, at \$6.25, \$312.50; 100 bush. Corn, at 75¢, \$75.
9. Paid Wm. Simpson, cash, for balance of acct. of June 9, \$810. (*J., C. B. Rule up Simpson's account as directed in note under June 18, page 25.*)
10. Bought of Robert Wentworth, on account at 10 days, 200 bush. Oats, at 40¢, \$80; 150 bush. Corn, at 60 cents, \$90. (*J.*)
11. Sold Geo. W. Young, 50 bbls. Flour, at \$6, \$300. Received \$200, cash; balance to be paid in 15 days.
12. Bought of Wm. Simpson, 500 bbls. Flour, at \$5.50, \$2750. Paid one-half, \$1375, in cash. (*J., C. B.*)
13. Paid, cash, for repairing wagon, \$3.75.
15. Received, cash, of John Hammond, for balance of purchase of the 1st inst., \$193.75.
16. Paid Robert Wentworth, balance due him on purchase of June 15th., \$180.
17. Sold Geo. W. Young, on account at 30 days, 100 bush. Corn, at 70¢, \$70; 100 bush. Oats, at 50¢, \$50.
18. Received, cash, of Myron G. Reed, for balance of account, \$263.75. (*Rule up Reid's account as instructed in note under June 18, page 25.*)
20. Sold Mann & Willard, on account at 30 days, 150 bbls. Flour, at \$6.25, \$937.50.
21. Received of Chas. B. Corning, \$150 in cash, in full payment of purchase of June 21st. (*Rule up Corning's account.*)
22. Bought of Robert Wentworth, on account at 30 days, 200 bush. Oats, at 40¢, \$80; 300 bush. Corn, at 60¢, \$180.
23. Sold Chas. B. Corning, 50 bbls. Flour, at \$6.25, \$312.50; 100 bush. Oats, at 48¢, \$48; 100 bush. Corn at 75¢, \$75. Received, \$200, cash; balance to be paid in 30 days.
24. Sold, for cash, 50 bbls. Flour, at \$6, \$300.
26. Received, cash, of Geo. W. Young, for balance of bill of 11th inst., \$100.
27. Sold Mann & Willard, on account at 30 days, 100 bbls. Flour, at \$6.25, \$625.
28. Sold Geo. W. Young, 50 bbls. Flour, at \$6.50, \$325. Received \$150, cash; balance to be paid in 10 days.
29. Bought Iron Safe for use of the business, for which I paid, cash, \$100.
30. Sold, for cash, 100 bush. Corn, at 65¢, \$65; 100 bush. Oats, at 45¢, \$45.
31. Paid clerk's salary for July, \$60, in cash.



## POSTING THE ENTRIES FOR JULY.

You will now balance and rule up your Cash Book as heretofore instructed. Your balance of cash should be, \$1474.65. Next post the entries contained in your Journal to the proper accounts in your Ledger, as explained in "Instructions for Posting" on page 22, and as illustrated on page 26. In business it is customary and advisable to post every day, so that the Ledger shall show at all times the true condition of the personal accounts.

## DIRECTIONS FOR POSTING THE ENTRIES FOR JULY.

In the entry of July 1, John Hammond is debited \$393.75. You will therefore turn to John Hammond's account in the Ledger, and place on the left-hand, or *debit* side, the date, *July 1*, the explanation, *Mdse.*, the page of the Journal, *5*, and in the amount column, the amount, *\$393.75*, remembering to place the Ledger page, on which Hammond's account appears, in the check column in the Journal. Then, immediately *credit* John Hammond in the Ledger for the amount for which he is credited in the Journal. Remember to date and check the entry. You will proceed posting in like manner all of the entries for July. *Give all new accounts one-half page space.* Whenever an account balances *rule it up*.

After completing the posting you will next make a statement of your property and debts. Your merchandise on hand will correspond with the following

## INVENTORY FOR JULY.

165 bbls. Flour, at \$5.50,-----	907.50
200 bush. Oats, at 40¢,-----	80.00
275 " Corn, at 60¢,-----	165.00
	<u>1152.50</u>

Your statement of resources and liabilities should correspond with the following

## RESOURCES.

Inventory, Mdse.,-----	1152.50
Horse and Wagon,-----	145.00
Iron Safe,-----	100.00
Harness, valued at-----	15.00
	<u>1412.50</u>
Personal Accounts, receivable:	
John Hammond,-----	121.25
Chas. B. Corning,-----	235.50
Geo. W. Young,-----	920.00
Mann & Willard,-----	1562.50
	<u>2839.25</u>
Cash on hand from Cash Book,-----	1474.65
Total Resources,-----	<u>5726.40</u>

## LIABILITIES.

Personal Accounts, payable:	
Wm. Simpson,-----	1375.00
Robert Wentworth,-----	430.00
Total Liabilities,-----	<u>1805.00</u>
Difference between the Resources and Liabilities, or Present Worth,-----	3921.40
Interest in the business at the beginning of the month, as shown by Ledger account,-----	3354.65
Net gain for month of July,-----	<u>566.75</u>

After making the statement as directed above, you will next proceed to cause your account in the Ledger to show your present worth, as explained on page 28, and as illustrated below. Remember that all rulings, and such entries in the Ledger as are to be transferred, should be in *red ink*. After closing your account and bringing down the Present Worth, it should correspond to the illustration given below.

*Student*

190-	June 1	Jones & Bro.	1	376 85	190-	June 1	Investment	1	3500
"	"	Present Worth	1	3354 65	"	30	Net Li in		231 50
				3731 50					3731 50
July 31		Present Worth	1	3921 40	July 1		Present Worth	1	3354 65
				3921 40	"	31	Net Gain	1	566 75
									3921 40
					Aug. 1		Present Worth	1	3921 40

Your Ledger is now in condition for beginning the work embraced in the next exercise; but before entering upon the work, review carefully the questions given on page 29.

## EIGHTH EXERCISE.

You will now make the proper entries in your Journal and Cash Book for the following

### SERIES OF TRANSACTIONS.

AUGUST, 190-,

- Sold Chas. B. Corning, 100 bbls. Flour, at \$5.75; 125 bush. Oats, at 50¢; 75 bush. Corn, at 70¢. Received \$400, in cash; balance to be paid in 30 days.
- Received, cash, of Geo. W. Young, in full of bill of July 3.
- I have this day drawn \$350, in cash, from the business for my private use.  
This entry should be, *Student, Dr., Cash for private use, 350.00.*
- Bought of Robert Wentworth, 400 bush. Oats, at 40¢; 300 bush. Corn, at 60¢. Paid one-half in cash; balance due in 30 days.
- Sold, for cash, 100 bbls. Flour, at \$5.75.
- Received, cash, of Geo. W. Young, for balance of bill of July 28.
- Obtained a policy of Insurance of \$2000, on the contents of the store, for one year, for which I paid a premium of 1 per cent., \$20, in cash.
- Bought an Office Desk, Letter File, and Copying Press, for office use, for which I paid, \$125, in cash.
- Paid rent of store for August, in cash. \$50.

11. Paid Wm. Simpson, cash, for balance of bill of July 12th.

You will remember that when an account in your Ledger is made to balance during the course of the business, you are to rule it up. (See note under June 18, page 25.)

14. Sold John Hammond 50 bbls. Flour, at \$6.10; 100 bush. Oats, at 46¢; 125 bush. Corn, at 70¢. Received \$200, cash; balance to be paid in 20 days.
15. Bought of Wm. Simpson, on account at 30 days, 300 bbls. Flour, at \$5.75.
16. Received, cash, of Geo. W. Young, for amount of his purchase of July 17.
18. Bought of Robert Wentworth, on account at 30 days, 200 bush. Oats, at 42¢; 150 bush. Corn, at 65¢.
19. Received \$1000, cash, of Mann & Willard, to apply on their account.
20. Sold, for cash, 150 bbls. Flour, at \$6.
21. Bought of Wm. Simpson, 300 bbls. Flour, at \$5.60. Paid \$1000, cash; balance due in 30 days.
22. Received, cash, of Chas. B. Corning, for balance of his purchase of July 23.
23. Paid Robert Wentworth, cash, in full of purchase of July 22.
25. Sent 1 bbl. Flour to my house, for private use.

This should be charged to you in the Journal at cost price, \$5.50. The entry will be *Student, Dr., Mdse., 5.50.*

26. Received, cash, of Mann & Willard, for balance of their account.

Rule up this account as heretofore instructed.

28. Sold, for cash, 50 bush. Oats, at 45¢; 75 bush. Corn, at 70¢.
29. Paid, cash, for shoeing horse, \$2.50.
30. The Store and contents were last night destroyed by fire. The books and cash in the safe were uninjured. The Sun Insurance Co. owes you \$2000, the amount of the policy of insurance taken on the 8th inst.

You will now balance your Cash Book, post the Journal entries to the Ledger, and make out a Statement of Resources and Liabilities. Your balance of cash should be \$2990.15. The Inventory will consist of the Horse and Wagon, valued at cost, and the Safe, damaged, valued at \$25. John Hammond owes you \$359.75, Chas. B. Corning, \$290, and the Sun Ins. Co., \$2000. You owe Wm. Simpson \$2405, and Robert Wentworth \$521.50. Your Net Loss for the month is, \$682.50, and your Present Worth is, \$2883.40.

After completing the Statement of Resources and Liabilities, you will next cause your account in the Ledger to show your Present Worth, by entering on the proper side of the account the amount of your Net Loss. It will be apparent that since a net gain increases your interest in the business, and is placed on the credit side of your account, a net loss will diminish your interest, and must be placed on the debit side of that account. You will, therefore, enter on the *debit* side of your account, in the date column, *Aug. 31*, in the explanation column, *Net Loss*, in the check column, *1*, and in the amount column, *682.50*. Next enter your *Present Worth* on the smaller side of your account, in *red ink*, as heretofore instructed. Then rule and foot the account, and bring the Present Worth below the rulings, on the *credit* side. (See illustration on next page.)

It will be observed that this business is discontinued at this point. The business of the next month would naturally commence with the present assets and liabilities, but as other principles are to be illustrated, necessitating other resources and liabilities, it is thought best that everything pertaining to the foregoing business be dropped here, and that the new business start out under entirely new conditions.



*Student*

190-	June 1	Jones & Bro.	1	376 85	190-	June 1	Investment	1	3500
"	1	Present Worth	1	3354 65	"	30	Net Gain		231 50
				3731 50					3731 50
July 31		Present Worth	1	3921 40	July 1	Present Worth	1	3354 65	
				3921 40	"	31	Net Gain		566 75
									3921 40
Aug 1	3	Cash	6	350	Aug 1	Present Worth	1	3921 40	
"	23	Merch	8	5 50					
"	31	Net Loss		652 50					
"	31	Present Worth	1	2553 40					
				3921 40					3921 40
					Sep. 1	Present Worth	1	2553 40	

After completing the work of closing your account, as instructed on the preceding page, hand your books to the teacher for inspection, and be prepared to answer questions upon the work passed over.

## NINTH EXERCISE.

Since the series of transactions which constitutes this exercise embraces promissory notes, it will be necessary for the pupil to become familiar with the form, elements and sphere of such notes, and also with the manner of entering them in the Bill Book, before proceeding further.

<sup>1</sup> Bills Receivable, as defined on page 6, embraces all of other people's negotiable written promises to pay, in our possession.

<sup>2</sup> Bills Payable embraces all of our negotiable written promises to pay, in the possession of others.

<sup>3</sup> By a negotiable written promise to pay is meant a written agreement to pay a stipulated sum of money, at a stated time, to some person named in the paper, or to his order, or to bearer, and usually a place where it shall be paid when it falls due is also indicated.

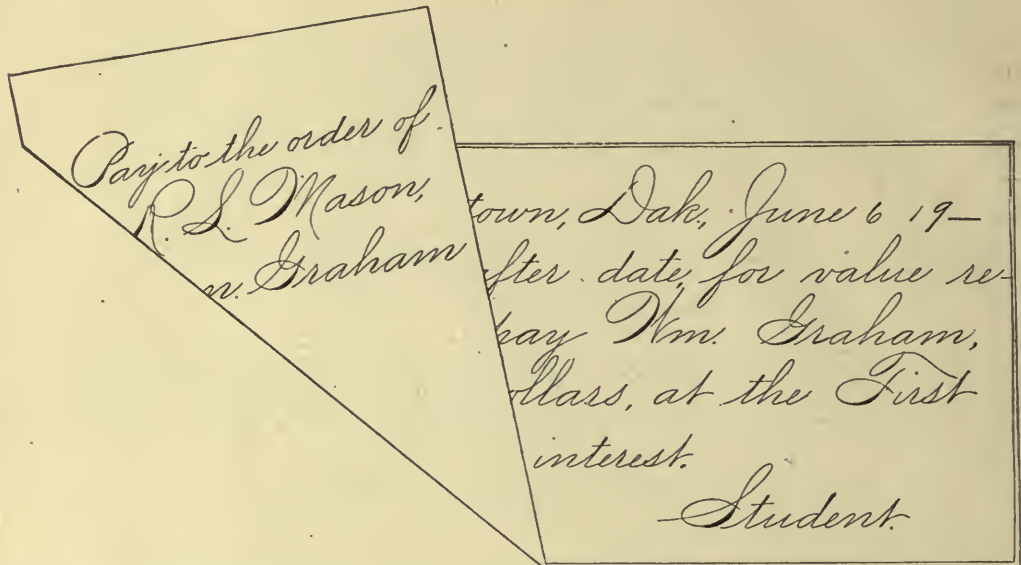
## FORM OF PROMISSORY NOTE.

<p>#70<sup>00</sup></p>	<p>Jamestown, Dak, June 6, 190-</p> <p>Two months after date for value received, I promise to pay Wm. Graham, or order, Seventy Dollars, at the First National Bank, with interest.</p> <p>No. 1</p> <p style="text-align: right;">Student.</p>
-------------------------	---

<sup>4</sup> The import of the foregoing paper is that the student has promised in writing to pay Wm. Graham, or to whomever he may see fit to transfer the note, seventy dollars, and two months' interest on that sum, two months after June 6, 190-, and to make the payment at the First National Bank.

<p>Wm. Graham</p>	<p>Jamestown, Dak, June 6, 190-</p> <p>after date for value received, I promise to pay Wm. Graham, Dollars, at the First National Bank, with interest.</p> <p style="text-align: right;">Student.</p>
-------------------	---

"Had the note been made payable to Wm. Graham, or *bearer*, instead of to Wm. Graham or order, Graham could make a complete transfer of it to anybody by simply delivering the paper, but, as it was made payable to him or his order, it will be necessary for him to indorse it. This is done by Graham writing his name across the back of the paper, as shown in the second illustration on the preceding page, which makes it payable to whoever has possession of it when it becomes due. Should the person who receives the note from Graham (whom we will suppose to be R. L. Mason), bearing his indorsement, wish it made so that nobody but he could collect it, without his indorsement, he may have Graham indorse it thus:



Or, "should Mason receive it with simply Wm. Graham written on the back, he may write over Graham's signature, "Pay to the order of R. L. Mason," which would have the same effect. Thus he will have caused the note to be made payable to him or his order, as completely as Student originally made it payable to Wm. Graham. In some of the States of the Union negotiable paper is allowed to run three days beyond the expiration of the time it was made to run by its terms. These additional days are called "*days of grace*." Formerly days of grace were allowed in all of the states, but have since been abolished in many of them by acts of their legislatures. Days of grace are not considered in this book.

## THE BILL BOOK.

"This is a book designed to contain all of the facts regarding the notes received or issued by us. It is usually made reversible, with Bills Receivable on one side, and Bills Payable on the other.

"The facts which this book should contain are, the number of the note; the date when given or received; the indorser, if any; the maker, who is the person who has it to pay; the person in whose favor it is made; for what the note was given or received; the place where the paper is payable; the date when it will fall due; the amount of the note in figures, with "*Int.*" written in small letters over the figures, if the note is made to draw interest, and the date of payment; and at the extreme right there is a column for indicating how and when the note was paid or disposed of.

The form of Bill Book given on pages 38-39 will afford an idea of the book and its use.



You will write up on cap paper the notes required by the following data, and enter them in the Bill Book.

No. 1. Your note, given to apply on account, drawn at two months after June 6, 190-, favor of Wm. Graham, or order, for seventy dollars, payable at First National Bank, with interest. (*Bill Payable.*)

No. 1. P. W. Monroe's note, favor of you or your order, received for cash loaned, payable at your office three months after July 16, amount one hundred and fifty-five dollars and seventy-five cents. (*Bill Receivable.*)

To aid you in properly arranging and capitalizing such a note as the above, the following illustration is given :

\$ 249.63      Le Roy, N. Y., Aug. 16, 190-  
Three months after date, for value received, I promise to pay Myron J. Giddings, or order, Two Hundred Forty-nine and  $\frac{63}{100}$  Dollars, at the Traders Bank, with interest.  
No. 193.      Warren Peckham & Co.

The note illustrated above need not be entered in the Bill Book.

<sup>15</sup> It should be borne in mind that when a note is not intended to draw interest it is not necessary that it should be so stated. When the paper is to draw interest, write simply, "with interest," as shown above.

No. 2. Your note, given for merchandise, at one month from July 14, payable at National Exchange Bank, for one hundred dollars, with interest, favor of J. D. Wilson. (*Bill Payable.*)

No. 2. J. G. Wagner & Co's note, for \$696.84, received for merchandise, favor of you or bearer, indorsed by W. J. Brown, payable at Second National Bank, dated Lockport, N. Y., July 20, at two months, with interest. (*Bill Receivable.*)

It is presumed that you can now determine which of the following notes are Bills Receivable and which are Bills Payable, and also that you will be able to properly number them and enter them in the Bill Book.

Your note, for \$346.84, at thirty days from July 22, given for merchandise, payable at Merchants Bank, with interest, favor of Franklin Elwood.

John H. Turner's note, for \$123.12, your favor, received for cash loaned, dated at Worcester, Mass., July 18, 190-, at two years from date, with interest, payable at Exchange Bank, Boston, Mass., indorsed by M. W. Payne.

A note, in your favor, for \$100, dated New York, Jan. 16, 190-, at one year and six months after date, with interest, payable at Park Bank, made by Walters & Brown, Goshen, N. Y., and indorsed by Willis & Reed.

A note, favor John H. True, dated July 17, signed by you, given for merchandise, payable three months after date, for \$312.60, with interest, payable at the German-American Bank.

NOTE.—The foregoing is designed simply to illustrate the recording of notes in the Bill Book; since it has no connection with the work which is to follow, you may draw a red line in the Bill Book below the last entry, entirely across both pages on each side of the book.

*The person who signs the note is the maker or drawer the person to whom it is payable is the payee the person who owns the note is the holder the person who writes his name on the back of a note transfers it to another person or to guarantee its payment is called an indorser.*

## BILLS

No.	WHEN GIVEN.		DRAWER AND ENDORSER.	DRAWEE OR MAKER.	IN WHOSE FAVOR.	FOR WHAT GIVEN.	WHERE PAYABLE.
1	190- June	6		Student	Wm Graham	On account	First Nat. Bk.
2	July	14		"	J. D. Wilson	Mdse.	Nat. Ex. Bk.

## BILLS

No.	WHEN REC'D.		DRAWER AND ENDORSER.	DRAWEE OR MAKER.	IN WHOSE FAVOR.	FOR WHAT RECEIVED.	WHERE PAYABLE.
1	190- July	16		P. W. Monroe	Myself	Money loaned	My office
2	July	20	W. J. Brown	J. G. Wagner & Co.	"	Mdse.	Sec. Nat. Bk.

## INVOICES OR BILLS.

An **Invoice**, as used in this connection, is a bill of items of merchandise sold. (*See illustration on opposite page.*) It should contain the name of the place where the sale was made; the date of the sale; the name of the person, firm or company making the sale; the name of the person, firm or company to whom the sale was made; the terms of payment; a description of every item of merchandise, with the price of each item; the amount of each item should be extended into the left-hand money column, and the aggregate of all extended into the right-hand money column.

If the goods are paid for at the time the sale is made the invoice should be "receipted" by entering below the items, "*Received payment*," followed by the signature of the seller. For instance, had Student paid for the goods embraced in the invoice illustrated on page 39, somebody connected with the American Graphite Co., who has authority to sign for the company, usually the Secretary, or some other officer, should have written at the bottom of the invoice,

*Received payment,*

*American Graphite Co.*

*By J. D. S., Secretary.*

In case time is given on a purchase, as in that of Student from the American Graphite Co., it is usual to return the invoice to be receipted when payment is made, in which case the receipt should be dated, as :

*Received payment Sept. 10, 190-*

*American Graphite Co.*

*By J. D. S., Secretary.*

## PAYABLE.

DATE			TIME.	WHEN DUE.												AMOUNT	WHEN AND HOW		
YEAR	MONTH			Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.		Dec.	REDEEMED	
190-	June	6	2 mos	190-								6					int. 70	190-	
	July	14	1 mo.									14					int. 100	Aug	6 Paid by bank.

## RECEIVABLE.

DATE.			TIME	WHEN DUE.												AMOUNT	WHEN AND HOW DISPOSED OF.	
YEAR	MONTH.			Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.		Dec.	
190—,	July	16	3 mos											16			190—	
.		20	2 mos										20				Oct.	16
																		Paid in cash.

## FORM OF INVOICE.

<p style="text-align: right;">No. 1000, N. J. Sep. 2, 190-</p> <p>Mr. Student,</p> <p style="text-align: center;">Portland, Ore.</p> <p style="text-align: center;">Bought of American Graphite Co.</p> <p style="text-align: center;">Terms, 30 days.</p>									
25 gr. Erulsior Pencils # 2	2 25	56 25							
15 " Commercial " # 3	2 10	31 50							
20 " Lumbermen's "	1 60	32							
10 " assorted Drawing "	3 55	35 50							
5 " " Colored "	2 75	13 75							
15 " Dynamic "	4 25	62 75	232 75						



September 1, 190-

1	Student	Cr.		5436	50
	Cash		3500		
	Office Furniture		175		
	Iron Safe		60		
	Horse and Wagon		145		
	John W. Martins Note		1500		
	Interest on note to date		56	50	
1	Student	Dr.		650	72
	Note favor D. Rawson		295		
	Interest on above		152		
	Mason & Wells on acct.		354	20	
1	Mason & Wells	Cr.		354	20
	Due them on acct				
2	American Graphite Co.	Cr.		232	75
	Invoice of Pencils				
2	New England Paper Co.	Cr.		37	2
	Invoice of Foolscap Paper				
3	Waltham Mfg. Co.	Cr.		140	
	Invoice of 1st inst.				
3	Davidson & Smith	Dr.		70	50
	Invoice of this date				

## TENTH EXERCISE.

The Journal, Cash Book and Bill Book are required to make a proper record.  
Draw up all notes on cap paper, and make all invoices.

## SERIES OF TRANSACTIONS.

SEPTEMBER 1, 190—,

Commenced the wholesale Stationery business this day with the following resources and liabilities :

**RESOURCES.**—Cash \$3500 ; an Iron Safe valued at \$60 ; office Furniture worth \$175 ; Horse and Wagon, \$145 ; a note for \$1500 made by John W. Martin, favor of S. C. Johnson, and indorsed by him to me or order, with interest at 6 per cent., dated Cleveland, O., January 15th, last, payable at First National Bank, eight months after date ; interest due on Martin's note to date, \$56.50.

It will be apparent that since Martin's note draws interest, and it has already run since Jan. 15, it is worth more than its face. The interest from its date to the present time should therefore be entered as a resource. (See Journal, page 40.) Enter the note in the Bill Book, and the cash in the Cash Book.

**LIABILITIES.**—My note for \$295.00, favor D. Rawson, at sixty days from July 26th, last, payable at Farmers and Mechanics Bank, with interest at 5 per cent. ; an account of \$354.20 favor Mason & Wells, due October 1st, next ; interest on note favor D. Rawson to date, \$1.52.

2. Bought of the American Graphite Co., Hoboken, N. J., 25 gross Excelsior Lead Pencils, No. 2, @ \$2.25 ; 15 gross Commercial Pencils, No. 3, @ \$2.10 ; 20 gross Lumbermen's Pencils, @ \$1.60 ; 10 gross Assorted Drawing Pencils, @ \$3.55 ; 5 gross Assorted Colored Pencils, @ \$2.75 ; 15 gross Dynamic Pencils, @ \$4.25. Terms, 30 days, or 2 per cent. off if paid within 10 days. Invoice dated 1st inst.

You will use for explanation in the Journal *Invoice of 1st inst.* Since the invoices of purchases are filed for future reference, it is unnecessary to write in the Journal all of the items and particulars of such transactions as the foregoing. You will make the invoice also. (See illustration on page 39).

3. Bought of the New England Paper Co., Concord, N. H., 3 cases Foolscap Paper, 40 reams in each case, @ \$3.10. The terms of purchase are, 2 months, or 3 per cent. 10 das. ; that is, payment may be deferred two months, but if the amount be paid within 10 days 3 per cent. will be deducted from the cost. (These terms are indicated in the invoice.) Invoice dated 1st inst.

In entering this in the Journal use for explanation "*Invoice of 1st inst.*"

4. Bought of the Waltham Manufacturing Co., Waltham, Mass., at 30 days, 1000 gross White Crayon, @ 14¢. Invoice dated Sept. 1.
5. Sold Davidson & Smith, Madison, 10 reams Cap Paper, @ \$3.35 ; 5 gross Excelsior Pencils, @ \$2.60 ; 3 gross Dynamic Pencils, @ \$5 ; 50 gross White Crayon, @ 18¢. Terms, 30 days ; 2 per cent. off if paid within 15 days.
6. Sold Johnson & Brown, Evansville, on account at 10 days, 10 gross Commercial Pencils, @ \$2.55 ; 5 gross Lumbermen's Pencils, @ \$1.95 ; 15 reams Foolscap, @ \$3.65.
8. Bought of Wyant & Harvey, Philadelphia, Pa., 100 gross Commercial Student's Pens, @ 70¢ ; 50 doz. Commercial Student's Rulers, brass edge, @ 45¢ ; 5 C Figuring Pads, @ \$4. Terms, 60 days, or 3 per cent. off if paid in 10 days. Invoice dated Sept. 3.
10. Paid the American Graphite Co., cash, for the amount of their invoice of the 1st inst., \$232.75, less 2 per cent. discount, as stated in terms of purchase. Amount of discount, \$4.66.



Enter in the Cash Book the amount of cash actually paid. Debit the American Graphite Co. for the whole amount of the invoice in the Journal, as this entry, when posted, should balance their account. Use for explanation, "invoice of 1st inst., less 2 per cent. discount."

10. Paid New England Paper Co. cash for their invoice of the 1st inst., \$372, less 3 per cent. cash discount. Discount, \$11.16. (*See explanation at top of page.*)
11. Bought of the Waltham Manufacturing Co., 200 gross Colored Crayon, @ 38¢. Terms, 30 days; 2 per cent. 10 days. Invoice dated Sept. 5.
13. Paid Wyant & Harvey cash for the amount of invoice of the 3rd inst., less 3 per cent. cash discount. Discount, \$3.38.
14. Sold Davidson & Smith, on account at 30 days, 5 gross Commercial Pencils, @ \$2.75; 7 gross Assorted Drawing Pencils, @ \$4.40; 25 gross Colored Crayon, @ 48¢.
15. Paid Waltham Mfg. Co. amount of invoice of 5th inst. Discount, \$1.52.  
 " Sold Johnson & Brown, on account at 10 days, 25 gr. C. S. Pens, @ 85¢; 25 doz. C. S. Rulers, brass edge, @ 60¢; 40 reams Foolscap, @ \$3.75.  
 " John W. Martin has paid his note of \$1500, due to-day, with interest for eight months, \$60. (Mark the note in the Bill Book, "*Paid in cash.*")
16. Bought of the American Graphite Co., 25 gr. Excelsior Pencils, @ \$2.25; 50 gr. University Pencils, @ \$2.75. Terms, 30 days; 2 per cent. 10 days. Invoice dated Sept. 10.
17. Received cash of Johnson & Brown, for amount of invoice of the 6th inst.
19. Sold Davidson & Smith, on account at 30 days, 10 reams Foolscap, @ \$3.35; 50 gr. White Crayon, @ 19¢; 50 gr. C. S. Pens, @ 84¢.
20. Sold D. F. Phillips & Co., Warsaw, on account at 10 days, 6 doz. C. S. Rulers, @ 60¢; 100 gr. White Crayon, @ 19¢; 5 gr. Dynamic Pencils, @ \$5.10.
23. Bought of New England Paper Co., 4 cases Foolscap, 160 reams, @ \$3.05 per ream; 1 case Commercial Letter Paper, 45 reams, @ \$1.80 per ream. Terms, 2 months; 3 per cent. 10 days.
24. Sold Johnson & Brown, on account at 10 days, 40 reams Foolscap, @ \$3.40; 10 reams Commercial Letter, @ \$2.20.  
 " Paid my note and interest, due to-day, favor of D. Rawson, in cash. Interest for 60 days, \$2.47.
25. Sold Davidson & Smith, on account at 30 days, 20 reams Foolscap, @ \$3.40; 5 reams Commercial Letter, @ \$2.20; 25 gr. C. S. Pens, @ 95¢.
26. Received cash of Johnson & Brown, in full of invoice of the 15th inst.
28. D. F. Phillips & Co. have settled for their invoice of the 20th inst. by giving me their note at 30 days from this date, indorsed by J. B. Royce, made with interest, and payable at Second National Bank, for the amount.  
 " Bought of Wyant & Harvey, 200 gross C. S. Pens, @ 70¢. Terms, 60 days; 3 per cent. 10 days.
29. Sold D. F. Phillips & Co., at 10 days, 25 gr. C. S. Pens, @ 95¢; 50 gr. White Crayon, @ 20¢; 10 reams Foolscap, @ \$3.60.
30. Paid the following freight bills for the month: \$4.65, \$9.21, \$8.16, \$3.24, \$1.42 and \$7.20.

Balance and rule up the Cash Book, and post the Journal entries for the month. Your balance of cash should be, \$4232.37. Give each account one-half page space.

You will, on the first of October (to-morrow), admit Robert C. Harmon as an equal partner in the business, he to furnish a cash capital equal to your present interest. You will, therefore, make out a Statement of Resources and Liabilities, and carry your net gain, or net loss, to your account, bringing down your present worth on the credit side of your account, as illustrated on page 32.



## INVENTORY FOR SEPTEMBER.

MERCHANDISE: 45 gr. Excelsior Pencils, @ \$2.25; 15 gr. Lumbermen's Pencils, @ \$1.60; 3 gr. A. Drawing Pencils, @ \$3.55; 5 gr. Colored Pencils, @ \$2.75; 7 gr. Dynamic Pencils, @ \$4.25; 135 reams Foolscap, @ \$3.05; 750 gr. W. Crayon, @ 14¢; 175 gr. C. S. Pens, @ 70¢; 19 doz. C. S. Rulers, brass edge, @ 45¢; 5 C Fig. Pads, @ \$4; 175 gr. Colored Crayon, @ 38¢; 50 gr. University Pencils, @ \$2.75; 30 reams Commercial Letter, @ \$1.80; total, 1105.20.

Iron Safe, \$175; Horse and Wagon, \$145; Office Furniture, \$60; total inventory, \$1485.20.

## STATEMENT OF RESOURCES AND LIABILITIES.

## RESOURCES.

Mdse., .....	1105.20	
Horse and Wagon, .....	145.00	
Office Furniture, .....	60.00	
Iron Safe, .....	175.00	
		1485.20
Cash, .....		4232.37
Personal Accounts, Receivable :		
Davidson & Smith, .....	314.80	
Johnson & Brown, .....	158.00	
D. T. Phillips & Co., .....	69.75	
		542.55
Bills Receivable, D. F. Phillips & Co.'s note, .....		48.10
Total Resources, .....		6308.22

## LIABILITIES.

Personal Accounts, payable :		
Waltham Mfg. Co., .....	140.00	
New England Paper Co., .....	569.00	
Am. Graphite Co., .....	193.75	
Wyant & Harvey, .....	140.00	
Mason & Wells, .....	354.20	
Total Liabilities, .....		1396.95
Present Worth, .....		4911.27
Investment, .....		4785.78
Net Gain, .....		\$125.49

## ELEVENTH EXERCISE.

The following is a continuation of the business of the preceding month, necessitating the use of the same books.

## SERIES OF TRANSACTIONS.

OCTOBER 1, 190—,

I have this day admitted Robert C. Harmon to partnership, he investing the real estate now occupied by the business, valued at \$3000, and cash sufficient to make his investment equal my present worth. The name of the firm is to be "Student" & Harmon. The conditions of the partnership are: each partner shall devote his entire time and energies to the business; the gains and losses shall be divided equally; the partnership contract shall continue three years; neither partner shall draw from the business more than fifty dollars per month, and neither partner shall indorse nor become surety for anybody without the consent of the other partner.

1. Robert C. Harmon has deeded the real estate occupied by the business to "Student" & Harmon, and has paid in cash, \$1911.27

The proper Journal entry for Harmon's investment is

Robert C. Harmon	Cr.	4911.27
Real Estate		3000.00
Cash		1911.27

Remember to enter the cash in the Cash Book.

- " Sold Wilson & Farley, on account at 10 days, 25 reams Foolscap, @ \$3.40; 2 C Figuring Pads, @ \$4.00; 25 gr. C. S. Pens, @ 95¢.
2. Paid Mason & Wells cash in full of their account.

Consult your Ledger to ascertain the amount of the above payment.

- " Sold R. W. Myers & Son, on their note at 30 days, payable at First National Bank, 10 gr. Excelsior Pencils, @ \$2.50; 3 gr. Dynamic Pencils, @ \$5.00; 10 reams C. Letter Paper, @ \$2.15; 15 gr. C. S. Pens, @ \$1.00; 10 doz. C. S. Rulers, @ 60¢.
3. Paid cash for invoice of New England Paper Co. of Sept. 23, \$569, less the usual 3% cash discount, \$17.07.

Debit the N. E. P. Co. in the Journal for the whole amount, \$569, as their account, so far as that invoice is concerned, should balance.

4. Johnson & Brown have paid for invoice of Sept. 24.
- " Paid Waltham Manufacturing Co. cash for invoice of Sept. 1.
5. Received cash of Davidson & Smith in full for invoice of Sept. 5th.
7. Sold Davidson & Smith, on account at 30 days, 50 reams Foolscap, @ \$3.40; 25 gr. C. S. Pens, @ 95¢; 100 gr. White Crayon, @ 18¢.
- " Paid Wyant & Harvey cash for invoice of Sept. 28, less 3% cash discount. Discount, \$4.20. (*See note under 3rd inst.*)
8. Sold Johnson & Brown, at 10 days, 100 gr. White Crayon, @ 18¢; 25 gr. C. S. Pens, @ 95¢; 3 gr. Lumbermen's Pencils, @ \$2.00; 15 gr. University Pencils, @ \$3.25; 15 reams C. Letter Paper, @ \$2.25.
9. Bought of N. E. Paper Co., on usual terms, 5 cases, 200 reams, Foolscap, @ \$3.05 per ream; 2 cases, 90 reams, Commercial Letter, @ \$1.80 per ream.

10. Sold R. W. Myers & Son, on their note at 30 days, payable at First National Bank, .2 cases, 80 reams, Foolscap, @ \$3.50 per ream.
11. Sold D. L. Covil for cash, 10 gr. Excelsior Pencils, @ \$2.60 ; 15 gr. University Pencils, @ \$3.25 ; 12 gr. C. S. Pens, @ 95¢ ; 5 gr. colored Crayon, @ 55¢.
- " Received cash of Wilson & Farley for invoice of the 1st inst.
12. D. F. Phillips & Co. have become financially embarrassed and have compromised with their creditors at seventy-five cents on a dollar. We have received \$52.31, cash, in settlement of our claim due the 9th inst.

The proper entries for the above transaction are to credit D. F. Phillips & Co. in the Journal for the amount of the balance of their account, \$69.75, and to enter on the left-hand side of the Cash Book the amount of cash actually received, \$52.31, and, for explanation, "*compromised at 75¢ on a dollar.*"

Since the gains and losses are found in single entry book-keeping by ascertaining the difference between the resources and liabilities, it will be apparent that a decrease in the net amount of resources will indicate a loss, and since in this case the resource of cash received is \$17.44 less than the personal resource cancelled, which just represents your loss on this account, it will be clear that the entries which have been made will cause the books to show the loss which has been sustained.

14. Received cash of Davidson & Smith in full of invoice of Sept. 14, due to-day.
15. Sold Pratt Bros. & Co., Salem, on account at 30 days, 1 case, 40 reams, Foolscap, @ \$3.60 ; 1 case, 45 reams, Commercial Letter, @ \$2.25.
16. Paid American Graphite Co. cash, for invoice of Sept. 16th.
17. Sold D. F. Phillips & Co., on their note at 30 days, indorsed by S. H. Woodbury, and payable at First National Bank, 10 gr. Ex. Pencils, @ \$2.65 ; 3 gr. Lum. Pencils, @ \$2.10 ; 10 gr. University Pencils, @ \$3.25 ; 10 reams Foolscap, @ \$3.60 ; 20 gr. Col. Crayon, @ 60¢.
18. Received cash of Johnson & Brown in full of their bill of the 8th inst.
19. Paid N. E. Paper Co. cash for invoice of the 9th inst., less the cash discount, 3%. Discount, \$23.16. (*See note under 3rd inst.*)
20. Received cash of Davidson & Smith for their bill of Sept. 19th.
22. Sold Davidson & Smith, on account at 30 days, 25 gr. C. S. Pens, @ 95¢ ; 25 gr. Col. Crayon, @ 60¢ ; 100 gr. White Crayon, @ 18¢.
24. Sold Johnson & Brown on account, at 10 days, 1 case Foolscap, 40 reams, @ \$3.60.
25. Received cash of Davidson & Smith for bill of Sept. 25.
26. Bought of N. E. Paper Co., on usual terms, 5 cases, 200 reams, Foolscap, @ \$3.05.
27. Bought of American Graphite Co., on usual terms, the following invoice of Pencils : 50 gr. Excelsior, @ \$2.25 ; 10 gr. Assorted Drawing, @ \$3.55 ; 10 gr. Dynamic, @ \$4.25 ; 100 gr. University, @ \$2.75.
28. Paid cash for shoeing horse, \$1.50, and for repairing wagon, \$10.75.
- " D. F. Phillips & Co. have paid their note of Sept. 28th, due to-day. Amount of note, \$48.10 ; 30 days' interest, 24¢.
30. "Student" has this day drawn \$40 for private use, and Robert C. Harmon, \$45.00.
- " Paid freight bills for the month, \$10.31, \$10.49, and \$4.18.

Balance and rule up your Cash Book, and post the Journal entries for the month. The amount of cash on hand should be \$4806.24.



## INVENTORY FOR OCTOBER.

MERCHANDISE: 65 gross Ex. Pencils, @ \$2.25; 9 gross Lum. Pencils, @ \$1.60; 13 gross A'd Pencils, @ \$3.55; 5 gross Col. Pencils, @ \$2.75; 14 gross Dy. Pencils, @ \$4.25; 110 gross Univ. Pencils, @ \$2.75; 290 reams Foolscap, @ \$3.05; 50 reams C. Letter, @ \$1.80; 450 gross W. Crayon, @ 14¢; 125 gross C. Crayon, @ 38¢; 48 gross C. S. Pens, @ 70¢; 9 doz. C. S. Rulers, @ 45¢; 3 C Figuring Pads, @ \$4.00; total, \$1717.20.

Horse and Wagon, \$145; Iron Safe, \$175; Office Furniture, \$60; Real Estate, \$3000.

## STATEMENT OF RESOURCES AND LIABILITIES.

RESOURCES.	
Merchandise, .....	1717.20
Horse and Wagon, .....	145.00
Iron Safe, .....	175.00
Office Furniture, .....	60.00
Real Estate, .....	3000.00
	<u>5097.20</u>
Cash, .....	4806.24
Personal Accounts, receivable:	
Davidson & Smith, .....	268.50
Johnson & Brown, .....	144.00
Pratt Bros. & Co., .....	245.25
	<u>657.75</u>
Bills Receivable :	
R. W. Myers & Son's note, .....	82.50 "
R. W. Myers & Son's note, .....	280.00
D. F. Phillips & Co.'s note, .....	113.30
	<u>475.80</u>
Total Resources, .....	<u>11036.99</u>
LIABILITIES.	
Personal Accounts, payable:	
N. E. Paper Co., .....	610.00
A. G. Co., .....	465.50
	<u>1075.50</u>
Present Worth, .....	9961.49
Investment:	
Student, .....	4911.27
Drawn by Student, .....	40.00
Student's net investment, .....	4871.27
R. C. Harmon, .....	4911.27
Drawn by Harmon, .....	45.00
Harmon's net investment, .....	4866.27
Net investment of firm, .....	9737.54
Net Gain, .....	223.95
Student's $\frac{1}{2}$ Net Gain, .....	111.98
R. C. Harmon's $\frac{1}{2}$ Net Gain, .....	111.97
	<u>223.95</u>

The partners' net gain, as shown by the foregoing statement, should be carried to the credit of their accounts. The proprietors' accounts should then be ruled up, the present worth of each placed on the debit side of his account and brought below the rulings on the credit side, under date of November 1. (*See illustration on page 32.*)

## TWELFTH EXERCISE.

Since the following is a continuation of the business of the preceding two months the same books will be required.

## SERIES OF TRANSACTIONS.

NOVEMBER 1, 190—,

Obtained a policy of insurance covering any property we may have in the store to the amount of \$1500, for which we paid  $1\frac{1}{2}$  per cent. premium, \$22.50, in cash.

2. Sold Wilson & Farley, on account at 10 days, 2 cases, 80 reams, Foolscap, @ \$3.60; 25 reams C. Letter, @ \$2.25; 25 gr. C. S. Pens, @ 90¢.
3. Johnson & Brown have paid cash for their invoice of Oct. 24.
4. R. W. Myers & Son have paid their note of Oct. 2.
5. Paid N. E. Paper Co., cash for invoice of Oct. 26, less 3% cash discount.
6. Paid Am. Graphite Co., cash for invoice of Oct. 27, less 2% cash discount.
8. Davidson & Smith have given us their note, at 20 days, indorsed by J. W. Sloan, and payable at Second National Bank, in payment of their invoice of Oct. 7.
9. Sold Johnson & Brown, on account at 10 days, 3 cases, 120 reams, Foolscap, @ \$3.55; 200 gr. White Crayon, @ 19¢; 50 gr. University Pencils, @ \$3.20.
- " R. W. Myers & Son have paid their note of Oct. 10, in cash.
10. Bought of N. E. Paper Co., on usual terms, 10 cases, 400 reams, Foolscap, @ \$3.00; 5 cases, 225 reams, C. Letter, @ \$1.75.
12. Wilson & Farley have paid their invoice of the 2nd inst., in cash.
14. Pratt Bros. & Co. have settled their account in cash.
15. Sold Wilson & Farley, on account at 10 days, 3 cases, 120 reams, Foolscap, @ \$3.45; 15 gr. Ex. Pencils, @ \$2.60; 10 gr. C. S. Pens, @ 90¢; 10 gr. C. Crayon, @ 50¢.
16. Bought of Wyant & Harvey, 300 gr. C. S. Pens, @ 70¢; 100 doz. C. S. Rulers, @ 45¢. Terms 60 days; 3 per cent. 10 days.
- " D. F. Phillips & Co. have paid their note due to-day, \$113.30.
17. Sold Davidson & Smith, on account at 30 days, 75 reams Foolscap, @ \$3.50; 50 gr. C. S. Pens, @ 90¢; 20 gr. University Pencils, @ \$3.10.
19. Johnson & Brown have settled for their invoice of the 9th inst., in cash.
20. Paid N. E. Paper Co. for invoice of the 10th, less 3% cash discount.
21. Davidson & Smith have paid for their invoice of Oct. 22.
22. Sold Belding & Wray, Windsor, on their note at 30 days, indorsed by James L. Hopkins and payable at Second National Bank, 2 cases, 80 reams, Foolscap, @ \$3.40; 50 reams C. Letter, @ \$2.10; 50 gr. C. S. Pens, @ 90¢.
23. Bought of Am. Graphite Co. the following invoice of pencils: 10 gr. Colored, @ \$2.75; 100 gr. University, @ \$2.75; 25 gr. Dynamic, @ \$4.25.
24. Sold Davidson & Smith on account at 30 days, 3 cases, 120 reams, Foolscap, @ \$3.45.
26. Bought of N. E. Paper Co., on usual terms, 6 cases, 240 reams, Foolscap, @ \$3.00.
27. Paid Wyant & Harvey, cash, for invoice of the 16th inst.
28. Sold Pratt Bros. & Co., on account at 30 days, 200 gr. C. S. Pens, @ 90¢; 50 doz. C. S. Rulers, @ 60¢; 50 gr. University Pencils, @ \$3.25.
29. Bought of Wyant & Harvey, 300 gr. C. S. Pens, @ 70¢; 150 doz. C. S. Rulers, @ 45¢.

30. Paid the following freight bills for the month: \$18.41, \$4.67, \$5.93 and \$4.82.

" The partners have each drawn \$50, in cash.

You will now balance and rule up your Cash Book, post your Journal entries, take an inventory of the merchandise on hand, make a statement of resources and liabilities, carry each partner's share of the net gain or net loss to his account and bring down his present worth, as directed in the preceding exercises.

#### INVENTORY FOR NOVEMBER.

MERCHANDISE: 50 gr. Ex. Pencils, @ \$2.25; 9 gr. Lum. Pencils, @ \$1.60; 13 gr. Assorted Drawing Pencils, @ \$3.55; 15 gr. Colored Pencils, @ \$2.75; 39 gr. Dynamic Pencils, @ \$4.25; 90 gr. Univ. Pencils, @ \$2.75; 335 reams Foolscap, @ \$3.00; 200 reams C. Letter, @ \$1.75; 250 gr. W. Crayon, @ 14¢; 115 gr. C. Crayon, @ 38¢; 313 gr. C. S. Pens, @ 70¢; 209 doz. C. S. Rulers, @ 45¢; 3 C Fig. Pads, @ \$5; total, \$2389.40.

Horse and Wagon, \$145; Iron Safe, \$175; Office Furniture, \$60; Real Estate, \$3000.

#### STATEMENT OF RESOURCES AND LIABILITIES.

RESOURCES.	
Merchandise Inventory,.....	2389.40
Horse and Wagon,.....	145.00
Iron Safe,.....	175.00
Office Furniture,.....	60.00
Real Estate,.....	3000.00
Cash,.....	3713.63
Personal Accounts, receivable:	
Davidson & Smith,.....	783.50
Wilson & Farley,.....	467.00
Pratt Bros. & Co.,.....	372.50
	1623.00
Bills Receivable:	
Davidson & Smith,.....	211.75
Belding & Wray,.....	422.00
	633.75
Total Resources,.....	11739.78
LIABILITIES.	
Personal Accounts, payable:	
American Graphite Co.,.....	408.75
New England Paper Co.,.....	720.00
Wyant & Harvey,.....	277.50
	1406.25
Present Worth of firm,.....	10333.53
Investment:	
Student,.....	4983.25
Drawn by Student,.....	50.00
Net credit,.....	4933.25
R. C. Harmon,.....	4978.24
Drawn by Harmon,.....	50.00
Net credit,.....	4928.24
Net investment of firm,.....	9861.49
Net Gain for November,.....	472.04



Student's $\frac{1}{2}$ Net Gain, .....	236.02
R. C. Harmon's $\frac{1}{2}$ Net Gain, .....	236.02
Student's Investment, .....	4933.25
"    Net Gain, .....	236.02
"    Present Worth, .....	<u>5169.27</u>
R. C. Harmon's Investment, .....	4928.24
"    Net Gain, .....	236.02
"    Present Worth, .....	<u>5164.26</u>
Present Worth of firm, .....	10333.53

This business will be discontinued at this point. It is believed that the objects sought to be attained by the exercises have been accomplished, viz.: to acquaint you with the form, use, essentials and manner of recording promissory notes, and to illustrate the proper method of keeping the principals' accounts in a business conducted by a partnership.

## QUESTIONS.

PAGE 35.—Define Bills Receivable. Define Bills Payable. What is meant by a negotiable written promise to pay? Give the import of the promissory note illustrated on page 35. PAGE 36.—Explain "indorsement." What is the Bill Book designed to contain? State what these facts are. PAGE 38.—What is an Invoice? What should it contain? When and how is an invoice receipted?

## THIRTEENTH EXERCISE.

The primary objects sought in this exercise are to illustrate another form of Journal, which is quite popular with single-entry book-keepers, and to show the form of the ordinary single-entry Cash Book.

The **Journal** heretofore employed provided for placing the amounts of both debits and credits in the right-hand money column, while in that illustrated in this exercise the amounts of the debits are placed in the left-hand money column and the amounts of the credits in the right-hand column. The advantages claimed for this form of Journal lie in lessening the liability to errors in posting, and the proof of the correctness of the Ledger which is afforded by the footings of the Journal columns. It will be apparent that, since all of the debits are placed in the left-hand money column and all of the credits in the right-hand money column, the footings of these columns must be the same as the footings for the month of the corresponding sides of the Ledger.

The **Cash Book** heretofore illustrated provided for placing the amounts of cash received on the left-hand side of the book, and the amounts of cash paid on the right-hand side. In the Cash Book used in this exercise the records of both receipts and payments are entered on the same page, the receipts in the left-hand money column and the payments in the right-hand money column.

A **Bank Account** will also be kept, which will be the same in all respects as a personal account. The bank will be debited for all deposits made and credited for all checks drawn.

There is no necessity of keeping an account with the bank in the Ledger, as the record of the currency and checks on hand, and the cash in bank, may all be kept in the Cash Book as though it were all currency. When the record is all kept in the Cash Book it is usual to keep a record of the cash in the bank in the check book, by adding the deposits that are made to the amount in the bank and deducting the checks that are drawn. See illustration on page 55.

In addition to the books mentioned above, the Bill Book will be kept in this set as heretofore.

The following exercise is complete in itself, having no relation to preceding work.

DECEMBER, 190—,

1. Student and W. D. Martin have this day formed a co-partnership for the purpose of dealing in agricultural implements, under the firm name of "Student" & Martin.

Make a memorandum of the above in the Journal.

- " Student invests cash, \$3000, a horse and wagon, valued at \$275, and an account against Henry L. James for \$412.50, due Dec. 15th.

Enter the above in the Journal and the Cash Book, placing the debit amounts in the left-hand money column and the credit amounts in the right-hand money column, in both books.

- " W. D. Martin invests the store, in which the firm will conduct its business, valued at \$2500, and cash to make his investment equal Student's.

- " Deposited cash in Merchants National Bank, \$4000.

The Journal entry for the above will be

" Merchants National Bank, Dr., cash deposited, \$4000."

the amount being entered in the left-hand or debit money column. A memorandum will also be made in the cash book, as follows:

" Deposited in Merchants National Bank, \$4000,"

the amount being entered in the right-hand money column.

2. Bought of the Wood & Mann Harvester Co., 6 Clipper Harvesters, @ \$110; 8 Clipper Mowers, @ \$45. Gave our check on Merchants National Bank for the amount.

The entry for the above will be

" Merchants National Bank, Cr., check favor Wood & Mann Harvester Co., \$1020."

See form of check on page 55.

3. Bought of J. H. Dawson & Co., 12 King Corn Cultivators, @ \$5.50; 6 Pony Corn Cultivators, @ \$4.25. The terms of purchase are 60 days; 2% off ten days.
4. Sold Henry J. Smith, on his note at 30 days, with interest, payable at First National Bank, 1 Harvester, \$130; 1 Mower, \$55.
5. Bought of the St. Lawrence Manufacturing Co., 5 Chilled Plows, @ \$11; 10 Spring Tooth Harrows, @ \$15. Terms, 60 days; 2% 10 days.
6. Sold Frank S. Upton, for cash, 1 C. Mower, \$55; 1 K. C. Cultivator, \$5.50.
8. Bought of Van Ness & Randall, on our note at 60 days, payable at Merchants National Bank, 20 doz. Wood Hand Rakes, @ \$1.50 per doz.; 6 Wheel Rakes, @ \$18.
9. Sold L. H. Newcomb, on his note at 15 days, indorsed by R. J. Lansing, 1 Harvester, \$127; 1 Mower, \$53; 6 W. H. Rakes, @ 25¢.

When you take a note, indorsed by a third party as additional security to the paper, always have it made payable to the indorser; then, should you wish to transfer it, your indorsement will naturally be placed below that of the indorser, making him first liable on the note.

10. Sold L. P. Ryan, for cash, 1 S. T. Harrow, \$20; 6 W. H. Rakes, @ 25¢; 1 W. Rake, \$25

11. Sold D. W. Brown, on his note at 10 days, payable at First National Bank, 1 C. Harvester, \$125; 1 C. Mower, \$55; 1 W. Rake, \$24.50.
12. Sold S. C. Wilson, on account at 10 days, 1 P. C. Cultivator, \$60; 1 S. T. Harrow, \$21; 1 C. Plow, \$15.50; 12 W. H. Rakes, @ 25¢.
13. Gave J. H. Dawson & Co. a check for their bill of the 3rd inst., less 2%.  
Debit J. H. Dawson & Co., in the Journal, for the full amount of their bill of the 3rd inst., and credit the bank for the amount of the check.
15. Henry L. James cannot pay his account, due to-day, and has given us his note at 30 days, on interest, indorsed by W. B. Brown and payable at the First National Bank, \$412.50.
- " Gave the St. Lawrence Manufacturing Co. a check for the amount of our purchase of the 5th inst., less the discount agreed upon.
16. Bought of Wood & Mann Harvester Co. 6 C. Harvesters, @ \$110. Gave them our check for the amount.
17. Sold S. C. Wilson, on account at 10 days, 1 C. Mower, \$55; 1 C. Plow, \$15.
18. Sold Robt. Manning, on account at 30 days, 1 C. Harvester, \$125; 1 K. C. Cultivator, \$7; 2 S. T. Harrows, @ \$20.
- " Sold Myron Armstrong, on account at 10 days, 1 W. Rake, \$25; 1 K. C. Cultivator, \$7; 1 C. Plow, \$15.
19. Bought of Wood & Mann Harvester Co., 6 C. Mowers, @ \$55. Paid for same by check.
- " Deposited \$250 in Merchants Bank.
21. D. W. Brown has paid his note of the 11th inst., in cash, \$204.50.
22. Sold A. C. Nelson, for cash, 1 C. Harvester, \$125; 1 C. Mower, \$55; 1 K. C. Cultivator, \$11; 6 W. H. Rakes, @ 25¢.
- " S. C. Wilson has paid his account of the 12th inst., in cash, \$45.50.
- " "Student" has drawn \$25, and W. D. Martin \$30, cash, for private use.
23. Sold S. C. Wilson, on account at 10 days, 1 W. Rake, \$25; 6 W. H. Rakes, @ 25¢.
24. Sold Robt. Manning, on account at 30 days, 1 C. Mower, \$55; 1 W. Rake, \$25; 1 C. Plow, \$15.
- " L. H. Newcomb has paid his note of the 9th inst., in cash, \$181.50.
- " Sold Myron Armstrong, on account at 30 days, 1 C. Harvester, \$125; 1 C. Mower, \$55.
- " Deposited \$400, cash.
26. Sold Geo. Austin, on account, payable on January 15th next, 1 C. Plow, \$15; 1 W. Rake, \$25; 12 W. H. Rakes, @ 25¢; 1 S. T. Harrow, \$20.
27. S. C. Wilson has paid his account of the 17th inst., in cash, \$70.
29. Myron Armstrong has paid his bill of the 18th, in cash, \$47.
- " Bought of St. Lawrence Manufacturing Co., 6 C. Plows, @ \$11. Terms, 60 days, 2% off 10 days.
30. Sold J. H. Brown, for cash, 1 C. Harvester, \$125; 1 C. Plow, \$15; 6 W. H. Rakes, @ 25¢.
31. Deposited cash, \$450.

You will now add the columns of your Cash Book, and ascertain the difference between the footings. This difference should be placed on the first line below the last item, in the



right-hand column, in red ink, using for explanation "Balance," written to the left under the other explanations, also in red ink.

You will next draw a single red line across both money columns of the first page of the Journal, under the last item, then bring down the footings of the columns, and draw a double red line across both columns immediately under the footings. Then carry the footings to the top of the next page and add both columns of that page including the footings brought up, and so on until you have the footings of both columns of the Journal for the entire month.

The next step for you to take is to post the Journal entries to the Ledger, as heretofore, and prove the correctness of the posting by comparing the footings of the sides of your Ledger with the footings of the corresponding columns in the Journal. You will then make an inventory and a statement of your property and debts as heretofore, which should agree with the results given below :

#### INVENTORY FOR DECEMBER.

MERCHANDISE.—5 Clipper Harvesters, @ \$110; 6 Clipper Mowers, @ \$45; 8 King Corn Cultivators, @ \$5.50; 5 Pony Corn Cultivators, @ \$4.25; 5 Chilled Plows, @ \$11; 5 Spring Tooth Harrows, @ \$15; 15½ doz. Wood Hand Rakes, @ \$1.50; total, \$1038.50.

Horse and Wagon, \$275; Real Estate, \$2500.

RESOURCES.—Merchandise, per Inventory, \$1038.50; Horse and Wagon, \$275; Real Estate, \$2500; S. C. Wilson, \$26.50; Robt. Manning, \$267; Myron Armstrong, \$180; Geo. Austin, \$63; Henry J. Smith's note, \$185; Henry L. James's note, \$412.50; Cash on hand, per Cash Book, \$22; Cash in Bank, per Ledger, \$2799.43. Total Resources, \$7768.93.

LIABILITIES.—Note favor Van Ness & Randall, \$138; St. Lawrence Mfg. Co., \$66; Total Liabilities, \$204; Present Worth of firm, \$7564.93.

Net investment of firm, \$7320; Net Gain of firm, \$244.93; Students' one-half net gain, \$122.47; W. D. Martin's one-half net gain, \$122.46.

Student invested, \$3687.50; Student drew, \$25; Student's net investment, \$3662.50; Student's one-half net gain, \$122.47; Student's present worth, \$3784.97.

W. D. Martin invested, \$3687.50; W. D. Martin drew, \$30; W. D. Martin's net investment, \$3657.50; W. D. Martin's one-half net gain, \$122.46; W. D. Martin's present worth, \$3779.96.

## DOUBLE ENTRY BOOK-KEEPING.

It is believed that the principles and practice of Single Entry Book-keeping have been so fully and clearly explained and illustrated in the foregoing pages, as to enable the diligent pupil to obtain an available knowledge of the subject. <sup>1</sup>In the following pages the principles of Double Entry book-keeping will be explained and illustrated, but the compass of this volume will not permit an extended presentation of the various methods of applying those principles to the numerous kinds of business.

<sup>2</sup>As stated on page 5, in Single Entry only personal accounts are kept in the Ledger, while <sup>3</sup>in Double Entry, accounts are kept in the Ledger with *things* as well as persons. <sup>4</sup>Every species of property belonging to the business must be represented by some account in the Ledger, and <sup>5</sup>every obligation due the proprietor, as well as his obligations to others, must be represented by some account or accounts in the Ledger.

### BOOKS REQUIRED.

<sup>6</sup>The books required depend much upon the nature and extent of the business. <sup>7</sup>The books usually employed are *Cash Book*, *Journal*, *Ledger* and *Bill Book*. <sup>8</sup>Sometimes a *Day Book* is used, and often a *Sales Book* and an *Invoice Book* are employed.

<sup>9</sup>The **Cash Book** used in Double Entry is the same in form as that illustrated on pages 8 and 9. The peculiarities of the Double Entry Cash Book are fully explained and illustrated on pages 72 and 73, affording more complete knowledge of the nature of that book than could be given by a fuller explanation at this point.

<sup>10</sup>The **Journal** contains the debits and credits involved in the transactions, arranged in a convenient form for posting to the Ledger.

The **Ledger** is the same in form as that illustrated on page 26. <sup>11</sup>In this book are grouped under appropriate titles, all of the debits and credits contained in the Journal. <sup>12</sup>As in the Ledger on page 26, all debits and credits which are found in the Journal, affecting a particular person, are grouped under the name of that person, so in the Double Entry Ledger, all debits and credits of similar character are grouped under their appropriate titles; as, <sup>13</sup>all debits and credits of Merchandise found in the Journal are grouped in the Ledger under the title "Merchandise," all debits and credits of Bills Receivable, under the title "Bills Receivable," etc.

<sup>14</sup>The **Bill Book** in Double Entry need not differ from that used in Single Entry, which is explained and illustrated on pages 38 and 39.

<sup>15</sup>The **Day Book**, or **Blotter**, as it is sometimes called, is designed to contain a consecutive historical record of the business.

<sup>16</sup>When this book is kept, a record should be made of every transaction as soon as it occurs. <sup>17</sup>It is necessary to do this immediately that <sup>18</sup>no important fact regarding the matter be overlooked.

<sup>19</sup>The Day Book is not very generally used at the present time, especially in cases where the business is of considerable magnitude. <sup>20</sup>When this book is omitted the entries are made in the other principal books, as the Cash Book, Journal and Sales Book, and <sup>21</sup>every



entry is accompanied by sufficient explanation of the transaction as to leave no ground for uncertainty as to the particulars regarding it. <sup>22</sup>The fact should not be overlooked that a complete record of every transaction should be preserved in some form.

<sup>23</sup>The **Sales Book** is designed to contain a complete record of the sales of Merchandise.

<sup>24</sup>The **Invoice Book** is intended to contain a record of all purchases of Merchandise.

<sup>25</sup>The Sales Book is sometimes a tissue book in which impressions of the invoices of goods sold are made with a copying press; <sup>26</sup>and an Invoice Book is sometimes a blank book made for that purpose, into which is pasted invoices of goods purchased.

## GENERAL RULES FOR DOUBLE ENTRY.

### Rule 1. <sup>27</sup>THE PROPRIETOR IS CREDITED

<sup>a</sup>*For the sum of his resources at the beginning of business;*

<sup>b</sup>*For subsequent investments in the business; and*

<sup>c</sup>*For his net gain, if any, when the books are closed.*

### Rule 2. <sup>28</sup>THE PROPRIETOR IS DEBITED

<sup>a</sup>*For the sum of his liabilities at the beginning of business;*

<sup>b</sup>*For such sums as he may draw out of the business from time to time; and*

<sup>c</sup>*For his net loss, when the books are closed, if there be a loss.*

### Rule 3. <sup>29</sup>PERSONS ARE DEBITED

<sup>a</sup>*When they become indebted to us; and*

<sup>b</sup>*When we get out of their debt, wholly or in part.*

### Rule 4. <sup>30</sup>PERSONS ARE CREDITED

<sup>a</sup>*When we get into their debt; and*

<sup>b</sup>*When they get out of our debt, wholly or in part.*

Rule 5. <sup>31</sup>CASH IS DEBITED *when it is received into the business, from whatever source.*

Rule 6. <sup>32</sup>CASH IS CREDITED *when it is paid out, for whatever purpose.*

Rule 7. <sup>33</sup>BILLS RECEIVABLE *is debited for all of other people's negotiable written obligations, when they are received.*

Rule 8. <sup>34</sup>BILLS RECEIVABLE *is credited when other people's negotiable written obligations held by us are paid or otherwise disposed of.*

Rule 9. <sup>35</sup>BILLS PAYABLE *is credited for all of our negotiable written obligations, when they are issued.*

Rule 10. <sup>36</sup>BILLS PAYABLE *is debited for all of our negotiable written obligations, when they are paid or otherwise cancelled.*

Rule 11. <sup>37</sup>MERCHANDISE IS DEBITED *for the cost of all merchandise purchased.*

Rule 12. <sup>38</sup>MERCHANDISE IS CREDITED *for the proceeds of all sales of merchandise.*

Rule 13. <sup>39</sup>EXPENSE IS DEBITED *for all expenses of the business, as clerk hire, fuel, light, etc.*

Rule 14. <sup>40</sup>EXPENSE IS CREDITED *when anything of value is disposed of, which was previously debited to Expense.*

Rule 15. <sup>41</sup>INTEREST IS DEBITED *when interest or discount is allowed to others.*

Rule 16. <sup>42</sup>INTEREST IS CREDITED *when interest or discount is allowed to us.*



# QUESTIONS.

<sup>2</sup> What accounts are kept in a Single Entry Ledger? <sup>3</sup> What in a Double Entry Ledger?  
<sup>4-6</sup> What must be represented in a Double Entry Ledger? <sup>7</sup> Upon what do the books  
 required in Double Entry depend? <sup>8</sup> What books are usually employed? <sup>9</sup> What other  
 books are sometimes used? <sup>10</sup> What form of Cash Book is used in Double Entry? <sup>11-12-13</sup> Explain the use of the Ledger employed in Double Entry?  
<sup>14</sup> What use is made of the Day Book? <sup>15</sup> When should the record be made in this book?  
<sup>17-18</sup> Why? <sup>19</sup> How generally is this book used? <sup>20</sup> When this book is not employed where  
 are the entries for transactions made? <sup>21</sup> How fully are the entries explained? <sup>22</sup> What is  
 said of recording every transaction? <sup>23</sup> What is the Sales Book designed to contain? <sup>24</sup> The  
 Invoice Book? <sup>25</sup> What other form of Sales Book is sometimes kept? <sup>26</sup> What other form  
 of Invoice Book? <sup>27</sup> When is the Proprietor credited? <sup>28</sup> When debited? <sup>29</sup> When are Per-  
 sons debited? <sup>30</sup> When credited? <sup>31</sup> When is Cash debited? <sup>32</sup> When credited? <sup>33</sup> For  
 what is Bills Receivable account debited? <sup>34</sup> For what credited? <sup>35</sup> For what is Bills Pay-  
 able account credited? <sup>36</sup> For what debited? <sup>37</sup> For what is Merchandise debited? <sup>38</sup> For  
 what credited? <sup>39</sup> For what is Expense debited? <sup>40</sup> For what credited? <sup>41</sup> When is Inter-  
 est debited? <sup>42</sup> When credited?

## PAGE OF CHECK BOOK.

STUB.		PAGE OF CHECK BOOK.	
190- Dec. 1 Deposited. 3000		DETACHABLE CHECKS.	
NO. 1.		No. 1. DETROIT, MICH., Dec. 2, 190-	
DATE, Dec. 2, 190-		<b>COLLEGE NATIONAL BANK,</b>	
TO Enterprise Mfg. Co.		OF DETROIT.	
FOR Wdso.		PAY TO Enterprise Manufacturing Co. OR order,	
		Nineteen Hundred Thirty-seven $\frac{65}{100}$ DOLLARS,	
		IN COLLEGE CURRENCY.	
AM'T, \$	1937 $\frac{65}{100}$	\$ 1937 $\frac{65}{100}$ Johnson & Martin	
	1062 35		
NO. 2.		No. 2. DETROIT, MICH., Dec. 13, 190-	
DATE, Dec. 13, 190-		<b>COLLEGE NATIONAL BANK,</b>	
TO A. G. Bancroft.		OF DETROIT.	
FOR bill Dec. 3, less 2%.		PAY TO A. G. Bancroft OR order,	
		Two Hundred Twenty $\frac{35}{100}$ DOLLARS,	
		IN COLLEGE CURRENCY.	
AM'T, \$	220 $\frac{35}{100}$	\$ 220 $\frac{35}{100}$ Johnson & Martin	
	842 00		
Dec. 20. Deposited, 175			
NO. 3.		No. 3. DETROIT, MICH., Dec. 25, 190-	
DATE, Dec. 15, 190-		<b>COLLEGE NATIONAL BANK,</b>	
TO Hammond & Brown.		OF DETROIT.	
FOR bal. of acct.		PAY TO Hammond & Brown OR order,	
		Thirty-five $\frac{00}{100}$ DOLLARS,	
		IN COLLEGE CURRENCY.	
AM'T, \$	35	\$ 35 $\frac{00}{100}$ Johnson & Martin	
Forward,	982 00		

January 1, 190-

Commenced a general produce business with a Cash capital of \$2000.				
Cash	" Investment	2000		
To Student			2000	
Expense	2 Horse & Wagon	225		
To Cash			225	
Mdse.	3 100 bbls. Flour at .575	575		
To Cash	bought of J. B. King		575	
Mdse.	4 500 bu. Oats at .38	190		
To C. W. Bryan	at 30 days		190	
Cash	5 450 bu. Oats at .43	64 50		
To Mdse.	sold S. R. Pur		64 50	
J. J. White & Co.	6 50 bbls. Flour at 6.25	312 50		
To Mdse.	at 30 days		312 50	
Mdse.	7 200 bu. Corn at .52	104		
To Cash	lot of W. F. Upton		104	
Expense	8 Shoeing horse, 2.25, repairing wagon, 5.75	8 25		
To Cash			8 25	
Bills Receivable	9 Geo Daniels note at	157 50		
To Mdse.	30 days for		157 50	
	25 bbls. Flour, at 6.30			
Mdse.	10 100 bbls. Flour at .58	580		
To Bills Payable	Note at 60 days for		580	
	von of Smith Milling Co.			

## FOURTEENTH EXERCISE.

Entries for the following transactions will be made in accordance with the principles of Double Entry, as given on pages 53 and 54. The books required are Journal and Ledger. The Journal will contain sufficient explanation of the transactions to render it unnecessary to make a record of them in the Day Book. A Cash Book and Bill Book are usually included in a set of Double Entry books, but since the use of these books is not necessary in this connection to enable you to learn the principles of double-entry, it is thought best to omit them. The entire set of books will be introduced later.

The proper Journal entries for a series of transactions similar to the following will be found on pages 58 to 61. It is believed that careful comparison of the transactions which are now to be journalized, with these, and careful study of the rules referred to in that connection, will enable you to perform the work required easily and intelligently.

For instance, if when Wm. H. Raymond invests \$3000 cash in business, his journal entry is

Cash,	3000.00
To Wm. H. Raymond, Investment,	3000.00

it will be apparent that when you invest \$2000 cash in business, your entry should be

Cash,	2000.00
To "Student," Investment,	2000.00

In the following set you will use your own name instead of "Student." The explanation of the Journal entry should be written at the right of the entry, as shown on page 56, instead of underneath it, as shown in the Examples on pages 58-61.

## SERIES OF TRANSACTIONS.

JANUARY 1, 190-,

Commenced a general produce business this day with a cash capital of \$2000. (*See example No. 1, page 58.*)

Rented the store, No. 121 Main St., for one year, at \$900, the rent to be paid monthly, at the close of each month. (*No Journal entry required.*)

2. Bought a horse and wagon for the use of the business for which I paid cash, \$225. (*See example No. 2, page 58.*)

3. Bought for cash, 100 bbls. Flour, @ \$5.75, \$575. (*Example No. 3, page 59.*)

4. Bought of Chas. H. Bryan on account, at 30 days, 500 bush. Oats, @ 38¢, \$190. (*Example No. 4.*)

5. Sold S. R. Peer for cash, 150 bush. Oats, @ 43¢, \$64.50. (*Example No. 5.*)

6. Sold J. T. White & Co., on account at 30 days, 50 bbls. Flour, @ \$6.25, \$312.50. (*Example No. 6.*)

7. Bought for cash, 200 bush. Corn @ 52¢, \$104. (*Example No. 3.*)

8. Paid cash for shoeing horse, \$2.50, and for repairing wagon, \$5.75. Total, \$8.25. (*Example No. 7.*)

9. Sold Geo. Daniels, on his note at 30 days, payable at the Exchange Bank, 25 bbls. Flour, @ \$6.30, \$157.50. (*Example No. 8.*)

10. Bought of the Smith Milling Co., on my note at 60 days, payable at Traders Bank, 100 bbls. Flour, @ \$5.80, \$580. (*Example No. 9.*)

12. Sold D. H. Wells, on his note at ten days, payable at Second National Bank, 25 bbls. Flour, @ \$6.35; 50 bush. Oats, @ 43¢. (*Example No. 8.*)

13. Sold J. T. White & Co., on account at 30 days, 100 bush. Corn, @ 60¢; 150 bush. Oats, @ 44¢; 25 bbls. Flour @, \$6.35. (*Example No. 6.*)



14. Bought of J. L. Cook, on account at 10 days, 500 bush. Corn, @ 52¢; 500 bush. Oats, @ 38¢. (*Example No. 4.*)
15. Sold J. T. White & Co., on account at 30 days, 75 bbls. Flour, @ \$6.25. (*Example No. 6.*)
16. Bought of the Newark Mills Co., on account at 10 days, 500 bbls. Flour, @ \$5.80. (*Example No. 4.*)
17. Sold for cash, 50 bbls. Flour, @ \$6.25; 100 bush. Oats, @ 45¢. (*Example No. 5.*)
18. Sold D. P. Howard, on account at 10 days, 150 bush. Corn, @ 62¢. (*Example No. 6.*)
20. Sold Henry Wilson, on his note at 30 days, payable at Exchange Bank, 150 bbls. Flour, @ \$6.30. (*Example No. 8.*)
21. Geo. Daniels proposes to pay his note of \$157.50, due Feb. 8th, providing I will allow him discount on the amount for the time it has yet to run, which I have accepted. Discount, 18 days, 47¢. (*Example No. 10.*)
22. Sold D. P. Howard, on account at 10 days, 200 bush. Oats, @ 44¢; 150 bush. Corn, @ 61¢. (*Example No. 6.*)
24. Paid J. L. Cook cash for my purchase of the 14th inst. (*Example No. 11.*)
25. D. H. Wells has paid his note, due to-day, \$180.25, in cash. (*Example No. 12.*)
26. Gave Newark Mills Co. \$1000, cash, and my note at 30 days, with interest, payable at Traders Bank, for \$1900, in settlement of my purchase of the 16th inst. (*Example No. 13.*)
27. Sold for cash, 75 bbls. Flour, @ \$6.30. (*Example No. 5.*)
28. D. P. Howard has settled his account of \$93, due to-day, by giving me his note at 10 days, payable at Exchange Bank. (*Example No. 14.*)
30. Drew \$50, cash, for private use. (*Example No. 15.*)
31. Paid one month's rent, in cash, \$75. (*Example No. 2.*)

As stated at the opening of this exercise, transactions are given below similar in character to those embraced in this set, which are accompanied by their proper Journal entries. By comparing your transactions with these, and observing the Journal entries, it is believed that you will experience no difficulty in properly journalizing every transaction in the exercise.

References are also made to the rules involved, which are grouped on page 54, and you should consult these in journalizing every transaction, that you may secure complete familiarity with the principles involved.

## EXAMPLE No. 1.

JANUARY, 190—,

<i>Transaction.</i>	<i>Journal Entry.</i>		
1. Wm. H. Raymond commenced business this day with a cash capital of \$3000. ( <i>Rule 5 and Rule 1, part a, page 54.</i> )	1. Cash, To Wm. H. Raymond, Investment.	3000	3000

## EXAMPLE No. 2.

<i>Transaction.</i>	<i>Journal Entry.</i>		
2. Bought a Horse and Wagon for the use of the business, for which I paid \$275. ( <i>Rule 13 and Rule 6, page 54.</i> )	2. Expense, To Cash, Horse and Wagon.	275	275

## EXAMPLE No. 3.

<i>Transaction.</i>	<i>Journal Entry.</i>
3. Bought, for cash, 150 bbls. Pork, @ \$10, \$1500. (Rule 11 and Rule 6.)	3. Mdse., To Cash, 150 bbls. @ \$10. 1500 1500

## EXAMPLE No. 4.

<i>Transaction.</i>	<i>Journal Entry.</i>
4. Bought of Henry Day, on account at 60 days, 500 bush. Wheat, @ \$1. (Rule 11 and Rule 4, page 6.)	4. Mdse., To Henry Day, 500 bush. Wheat, \$1, at 60 days. 500 500

## EXAMPLE No. 5.

<i>Transaction.</i>	<i>Journal Entry.</i>
5. Sold D. W. Strong, for cash, 100 bbls. Flour, @ \$6. (Rule 5 and Rule 12.)	5. Cash, To Mdse., 100 bbls. Flour, @ \$6. 600 600

## EXAMPLE No. 6.

<i>Transaction.</i>	<i>Journal Entry.</i>
6. Sold J. F. Beers, on account at 30 days, 100 bush. Wheat, @ \$1. (Rule 3, part a, and Rule 12.)	6. J. F. Beers, To Mdse., 100 bush. Wheat, @ \$1. 100 100

## EXAMPLE No. 7.

<i>Transaction.</i>	<i>Journal Entry.</i>
8. Paid cash for Repairing Wagon, \$5, and Shoeing Horse, \$2. (Rule 13 and Rule 6.)	8. Expense, To Cash, Repairing Wagon, \$5. Shoeing Horse, \$2. 7 7

## EXAMPLE No. 8.

<i>Transaction.</i>	<i>Journal Entry.</i>
9. Sold M. W. Randall, on his note at 60 days, payable at Ward's Bank, 150 bush. Wheat, @ \$1.10. (Rule 7 and Rule 12.)	9. Bills Receivable, To Mdse., M. W. Randall's note, per Bill Book, for 150 bush. Wheat, @ \$1.10. 165 165

## EXAMPLE No. 9.

<i>Transaction.</i>	<i>Journal Entry.</i>
10. Bought of Mumford Mills, on my note at 90 days, payable at Merchants Bank, 200 bbls. Flour, @ \$6.10. ( <i>Rule 11 and Rule 9.</i> )	10. Mdse., To Bills Payable, 200 bbls. Flour, @ \$6.10. Note at 90 days.
	1230 1230

## EXAMPLE No. 10.

<i>Transaction.</i>	<i>Journal Entry.</i>
21. M. W. Randall promises to pay his note for \$165, due March 13, providing I will allow him the discount for time it has yet to run, which I accept. Discount, 51 days, \$1.40. ( <i>Rule 5, Rule 15 and Rule 8.</i> )	21. Cash, Interest, To Bills Receivable, M. W. Randall has paid his note in advance.
	163 60 1 40 165

## EXAMPLE No. 11.

<i>Transaction.</i>	<i>Journal Entry.</i>
24. Paid Henry Day, cash, for our purchase of the 4th inst., \$500. ( <i>Rule 3, part b, and Rule 6.</i> )	24. Henry Day, To Cash, In full of bill of the 4th.
	500 500

## EXAMPLE No. 12.

<i>Transaction.</i>	<i>Journal Entry.</i>
25. D. W. Johnson has paid his note, due to-day, \$240. ( <i>Rule 5 and Rule 8.</i> )	25. Cash, To Bills Receivable, D. W. Johnson's note.
	240 240

## EXAMPLE No. 13.

<i>Transaction.</i>	<i>Journal Entry.</i>
26. Gave Cataract Mills \$1200, cash, and my note at 30 days, with interest, payable at First National Bank, for \$1500, in settlement of my purchase of the 2nd inst. ( <i>Rule 3, part b, Rule 6 and Rule 9.</i> )	26. Cataract Mills, To Cash, " Bills Payable, Paid for bill of the 2nd inst.
	2700 1200 1500

## EXAMPLE No. 14.

<i>Transaction.</i>	<i>Journal Entry.</i>
28. R. H. Sage has settled his account of \$118, due to-day, by giving his note at 30 days, payable at Merchants Bank. ( <i>Rule 7 and Rule 4, part b.</i> )	28. Bills Receivable, To R. H. Sage, Settlement of account.
	118 118



## EXAMPLE No. 15.

Transaction.	Journal Entry.		
30. Drew \$100 for private use. (Rule 2, part b, and Rule 6.)	30. Wm. H. Raymond, To Cash, Drew for private use.	100	100

You will now post the Journal entries for the month. It will be observed that instead of one posting for a Journal entry, as in Single Entry, there are two in every case, and in two instances there are three.

In posting the FIRST JOURNAL ENTRY you will open an account with yourself. Write your name at the top of the first blank page in your Ledger, and credit that account, *Jan. 1, Cash, 1, 2000*. Eight lines below that open an account with CASH, by writing *Cash* in the center of the line. Then place on the left-hand side, *Jan. 1, Student*, using your own name as already instructed, *1, 2000*. You will remember to check the posted entries in the Journal as instructed for Single Entry. Check both debits and credits.

In posting the

## SECOND JOURNAL ENTRY,

You will open an account with EXPENSE fifteen lines below Cash, and write on the debit side, *Jan. 2, Cash, 1, 2.25*. Then on the credit side of the Cash account write, *Jan. 2, Expense, 1, 2.25*.

## JOURNAL ENTRY, JANUARY 3,

Will be posted by opening an account with MERCHANDISE at the top of the next page, and entering on the debit side, *Jan. 3, Cash, 1, 5.75*; and on the credit side of the Cash account *3, Mdse., 1, 5.75*.

## JOURNAL ENTRY, JANUARY 4.

Enter on the debit side of the Merchandise account, *4, Chas. H. Bryan, 1, 190*. Then open an account with CHAS. H. BRYAN half-way down the page, and on the credit side write *Jan. 4, Mdse., 1, 190*.

## JOURNAL ENTRY, JANUARY 5.

Enter on the debit side of the Cash account, *5, Mdse., 1, 64.50*, and on the credit side of the Merchandise account, *Jan. 5, Cash, 1, 64.50*.

## JOURNAL ENTRY, JANUARY 6.

Open an account with J. T. WHITE & Co. eight lines below the line on which you opened an account with Chas. H. Bryan, and on the debit side write, *Jan. 6, Mdse., 1, 312.50*, and on the credit side of the Merchandise account write *6, J. T. White & Co., 1, 312.50*.

## JOURNAL ENTRY, JANUARY 7,

Will be posted the same as the third, excepting that you will substitute the proper date and amount.

## JOURNAL ENTRY, JANUARY 8.

Enter on the debit side of Expense, *8, Cash, 1, 8.25*; and on the credit side of the Cash account write, *8, Expense, 1, 8.25*.

## JOURNAL ENTRY, JANUARY 9.

Open an account with BILLS RECEIVABLE on the top of the next page, and on the debit side write, *Jan. 9, Mdse., 1, 157.50*; and on the credit side of Merchandise write, *9, Bills Receivable. 1, 157.50*

JOURNAL ENTRY, JANUARY 10.

Debit Merchandise account, 10, *Bills Payable*, 1, 580; and then open an account with **BILLS PAYABLE** one-fourth of a page below *Bills Receivable*, and on the credit side write *Jan. 10, Mdse., 1, 580.*

Since entries for January 12 to 20, inclusive, are similar in form to entries which have preceded them, it is believed that you will have no difficulty in posting them. Give all new accounts one-fourth of a page space.

JOURNAL ENTRY, JANUARY 21.

Debit Cash, 21, *Bills Receivable*, 2, 157.03. Then open an account with **INTEREST**, one-fourth of a page below D. P. Howard's, and on the debit side write *Jan. 21, Bills Receivable, 2, .47.* Then write on the credit side of *Bills Receivable* account, *Jan. 21, Sundries, 2, 157.50.*

You will observe that the explanation in the credit posting of this entry is unlike anything before encountered. *Sundries* means several items, and is used to represent the two debits, thus saving one credit in *Bills Receivable* account.

The entry for Jan. 22 is similar to that of Jan. 6, hence the instructions given for that will apply to this.

JOURNAL ENTRY, JANUARY 24.

Debit J. L. COOK, *Jan. 24, Cash*, 3, 450. Then on the credit side of the Cash account write *24, J. L. Cook, 3, 450.*

Remember to rule up an account when it balances.

JOURNAL ENTRY, JANUARY 25.

Debit Cash account 25, *Bills Receivable*, 3, 180.25, and credit *Bills Receivable* account 25, *Cash*, 3, 180.25.

JOURNAL ENTRY, JANUARY 26.

Debit Newark Mills account *Jan. 26, Sundries*, 3, 2900, and then credit Cash account 26, *Newark Mills*, 3, 1000, and credit *Bills Payable* account 26, *Newark Mills*, 3, 1900.

The entry for Jan. 27 is similar to that of Jan. 5, and that of Jan. 31 is similar to that of Jan. 8.

THE TRIAL BALANCE.

"Since the debit of each Journal entry is equal to the credit, and as all of the debits in the Journal are posted to the debit side of the Ledger, and the credits to the credit side of the Ledger, it will be apparent that the aggregate of the debit side of the Ledger should equal that of the credit side.

"The **Trial Balance** is a test employed to determine whether the Ledger is in balance; in other words, whether the sum of the debits is equal to the sum of the credits. "You will add your ledger accounts in pencil, placing the footings immediately below the last amount, in very small figures, as illustrated below.

JOHN SMITH.

Jan.	6	Mdse.,	1	400	Jan.	12	Cash,	2	500
"	11	"	2	350	"	21	Bills Receivable,	3	250
"	15	"	2	175	"	24	Cash,	4	100
"	19	"	3	141					850
"	26	"	4	192					
				1259					25

You will next make a Trial Balance of your Ledger, on the first blank page of your Statement and Trial Balance Book, by transferring to that page, from the Ledger, the names and footings of those accounts as do not balance, placing the debit footings in the left-hand column, and the credit footings in the right-hand column. Next foot and rule these columns, placing the footings between the ruled lines. If your Trial Balance is correct, the footings of the sides will be equal, and it will correspond in all particulars to the one given below.

## TRIAL BALANCE, JANUARY 31, 190-

	Dr.		Cr.	
Student, .....	50		2000	
Cash, .....	3231	78	2487	25
Merchandise, .....	4799		3515	75
C. H. Bryan .....			190	
J. T. White, & Co., .....	1066			
Expense, .....	308	25		
Bills Receivable, .....	1375	75	337	75
Bills Payable, .....			2480	
D. P. Howard, .....	272	50	93	
Interest, .....		47		
	11103	75	11103	75

A statement of the property on hand should be made precisely as you have already been instructed to do in the Single Entry exercises, and with the same object in view — to ascertain the results of the business.

## INVENTORY.

225 bbls. Flour, @ 5.80, .....	1305.00
350 bush. Oats, @ 38¢, .....	133.00
300 " Corn, @ 52¢, .....	156.00
	1594.00
Horse and Wagon, .....	225.00
Total Inventory, .....	1819.00

## LOSSES AND GAINS.

The net gain or the net loss of the business may be ascertained by exactly the same process as in Single Entry, and it may also be found by another operation — by the use of those accounts that do not appear in Single Entry.

In this exercise there are but three accounts that show gains or losses, which are Merchandise, Expense, and Interest. All of the others, excepting that of the proprietor, which are not in balance, show resources and liabilities. The losses and gains may be shown from the three accounts named, by making a statement from those accounts as illustrated on the next page, and which is called a Statement of Losses and Gains.



## STATEMENT OF LOSSES AND GAINS.

An explanation of this Statement will be found immediately below it.

Merchandise, Sales (the credit side of Merchandise account),	3515.75	
“ Inventory,	1594.00	
“ Total proceeds,	5109.75	
“ Cost (the debit side of Merchandise account),	4799.00	
“ Gain,		310.75
Expense, Cost,	308.25	
“ Inventory,	225.00	
“ Loss,		83.25
Interest, Cost,	.47	
Total loss,		83.72
Net gain for the month,		227.03
Investment,	2000.00	
Amount drawn,	50.00	
Net investment,		1950.00
Present Worth,		2177.03

As you have already been made aware, Merchandise account is debited with the entire cost of the merchandise purchased, and is credited with the proceeds from the sales of merchandise. The profit, or loss, on the merchandise which you have handled may, therefore, be determined by adding the amount of merchandise unsold, shown by the Inventory, \$1594, to the proceeds from sales of merchandise, as shown by the credit side of Merchandise account, \$3515.75, and finding the difference between that sum, \$5109.75, and the cost of the merchandise, shown by the debit side of the Merchandise account, \$4799, which is \$310.75. The Expense account shows a loss of \$83.25, as the debit of that account shows the expenses of the business, \$308.25, and there is a credit in the form of an inventory of only \$225; and since Interest account is debited with the cost of interest and discount, it will be clear that the debit of that account, 47¢, is also a loss. Hence, the net loss for the month may be found by deducting from the gain on Merchandise, \$310.75, the sum of the loss on Expense, \$83.25, and that on Interest, 47¢, or \$83.72, which is \$227.03, the net gain for the month.

To prove the correctness of the foregoing operation, it is suggested that you now find the net gain for the month as instructed to do in Single Entry, by making a

## STATEMENT OF RESOURCES AND LIABILITIES.

## RESOURCES.

Mdse., Inventory,	1594.00	
Horse and Wagon,	225.00	
		1819.00
Personal Accounts, receivable:		
J. T. White & Co.,	1066.00	
D. P. Howard,	179.50	
		1245.50
Cash,		744.53
Bills Receivable:		
Henry Wilson's Note,	945.00	
D. P. Howard's Note,	93.00	
		1038.00
Total Resources,		4847.03

Personal Account:		LIABILITIES.	
C. H. Bryan,	-----	190.00	--
Bills Payable:			
Note, favor of Smith Milling Co.,	-----	580.00	
“ “ Newark Mills Co.,	-----	1900.00	
		<u>2480.00</u>	
Total Liabilities,	-----		<u>2670.00</u>
Present Worth,	-----		<u>2177.03</u>
Investment,	-----	2000.00	
Amount drawn,	-----	<u>50.00</u>	
			<u>1950.00</u>
Net Gain,	-----		<u>227.03</u>

You will observe that the results of the foregoing statements are alike, showing that the net gain for the month has been \$226.95, and that your present worth is \$2176.95. It is suggested that you now take a Trial Balance and Inventory, and make the statements again without referring to the text-book or to the work which you have performed.

## CLOSING THE LEDGER.

You have ascertained the condition of the business, and it now remains for you to make your Ledger show, not only your Present Worth as was required in Single Entry, but also the net gain from those accounts in your Ledger which show gains and losses. This may be done as follows:

Open an account in your Ledger with LOSS AND GAIN, one-fourth of a page below Interest account. Then enter on the credit side of the Merchandise account, in *red ink*, Jan. 31, *Inventory*, 1594, and on the debit side of the Merchandise account, also in *red ink*, Jan. 31, *Loss and Gain*, 310.75. Then transfer this amount, 310.75, to the credit side of the Loss and Gain account, in *black ink*, Jan. 31, *Merch.*, 310.75, and rule up the Merchandise account, bringing down the footings between the ruled lines as instructed in Single Entry. Then transfer the Inventory below the double rulings on the debit side of the Merchandise account, in *black ink*, Feb. 1, *Inventory*, 1594.

On the credit side of the Expense account write, in *red ink*, Jan. 31, *Inventory*, 225, and again on the credit side of Expense account, also in *red ink*, Jan. 31, *Loss and Gain*, 83.25. Transfer this amount to the debit side of the Loss and Gain account, in *black ink*, Jan. 31, *Expense*, 83.25, and rule up the Expense account, bringing down the footings between the ruled lines. Then transfer the Inventory below the double rulings on the debit side of the Expense account, in *black ink*, Feb. 1, *Inventory*, 225.

You will next close the Interest account by writing on the credit side, in *red ink*, Jan. 31, *Loss and Gain*, 47¢, and transfer this amount to the debit side of the Loss and Gain account, in *black ink*, Jan. 31, *Interest*, 47¢, after which you will draw the double lines under the amounts.

The Loss and Gain account now contains all of the items of gains and losses for the month, and the difference, the net gain, should be placed on the smaller side, which in this case is the debit side, in *red ink*, Jan. 31, *Student*, 227.03, and be transferred to the credit side of your account in *black ink*, Jan. 31, *Loss and Gain*, 227.03, after which the Loss and Gain account should be ruled up and the footings brought down as heretofore instructed.

Your account now contains your investment, your net gain for the month, and the amount you drew for private use; the difference should show your present worth. Enter on the debit side, in *red ink*, 31, *Present Worth*, 2177.03, rule up the account, bring down the footings, and transfer the present worth below the rulings on the credit side, in *black ink*, Feb. 1, *Present Worth*, 2177.03. This completes the closing of the Ledger.



## FIFTEENTH EXERCISE.

The design of this exercise is to explain and illustrate the process of changing a set of books from Single Entry to Double Entry. The work will be performed in accordance with the principles of Single Entry, and, after the results of the business have been ascertained, the books will be changed to Double Entry and the business continued.

This exercise is independent of all preceding work. The books to be employed are Cash Book, the same in form as that illustrated on pages 8 and 9; Journal, using the debit and credit columns; Bill Book, and Ledger.

FEBRUARY 1, 190—,

Commenced business this day with cash on hand, \$2000; an account against R. L. Marvin of \$185, due March 1; a note for \$345, at two months from Jan. 8, payable at Traders Bank, made by D. T. Harris and indorsed by R. W. Bullock; and the store in which this business will be conducted, valued at \$1500.

2. Bought of M. S. Watson, on my note at 30 days, payable at the First National Bank, 500 bbls. Flour, @ \$5.75.
3. Obtained a Policy of Insurance on the store at a valuation of \$1000, at 2% premium, and on the contents for \$2500, at 2% premium. Paid the premium in cash, \$70.
4. Bought of H. J. Brown, on account at 15 days, 1000 bush. Corn, @ 60¢.
5. Sold P. W. Johnson & Co., on account at 15 days, 100 bbls. Flour, @ \$7.
6. Sold F. H. Wolcott, for cash, 125 bbls. Flour, @ \$6.90.
8. Drew \$100, cash, for private use.
9. Sold P. W. Johnson & Co., on account at 15 days, 250 bush. Corn, @ 70¢.
10. Sold A. B. Ingraham, for cash, 50 bbls. Flour, @ \$6.90; 100 bush. Corn, @ 70¢.
11. Bought of H. J. Brown, on account at 15 days, 1200 bush. Oats, @ 40¢.
12. Sold P. W. Johnson & Co., on account at 15 days, 200 bush. Oats, @ 48¢.
15. Sold F. H. Wolcott, on his note at 10 days, payable at Traders Bank, 150 bush. Oats, @ 48¢; 100 bush. Corn, @ 70¢.
16. Sold P. W. Johnson & Co., on account at 15 days, 100 bbls. Flour, @ \$7; 200 bush. Oats, @ 48¢.
17. Bought of M. S. Watson, on my note at 30 days, payable at First National Bank, 600 bbls. Flour, @ \$5.75.
19. Paid H. J. Brown cash in full for my purchase of the 4th inst.
20. Sold C. J. Woodin, on account at 10 days, 500 bush. Oats, @ 48¢.
- " P. W. Johnson & Co. have paid cash for their purchase of the 5th inst., \$700.
22. Bought of H. J. Brown, on account at 15 days, 1000 bush. Oats, @ 40¢.
- " Sold C. J. Woodin, on account at 10 days, 350 bush. Corn, @ 70¢.
24. P. W. Johnson & Co. have paid cash in full for their purchase of the 9th inst., \$175.
25. Bought of S. G. Hooker, on account at 15 days, 900 bush. Corn, @ 60¢.
- " F. H. Wolcott has paid his note of the 15th inst., \$142, in cash.
26. Paid H. J. Brown cash in full for my purchase of the 11th inst., \$480.
27. P. W. Johnson & Co. have paid for their purchase of the 12th, \$96, in cash.



You will now balance your Cash Book, bringing the balance of cash below the rulings, placing the amount in the credit column; post the Journal entries; make a Statement of Resources and Liabilities; carry the net gain or net loss to your account; and close your account, bringing the present worth below the ruling. Give Merchandise, Cash and Bills Receivable accounts each one-half of a page space. Give all other accounts one-fourth of a page each.

## INVENTORY.

MERCHANDISE.—725 bbls. Flour, @ \$5.75 · 1100 bush. Corn, @ 60¢; 1150 bush. Oats, @ 40¢; total, \$5288.75.

REAL ESTATE.—Store and Lot, \$1500.00.

EXPENSE.—Insurance premium paid, \$70, of which  $\frac{1}{2}$  is unexpired, \$64.17; total inventory, \$6852.92.

## STATEMENT OF RESOURCES AND LIABILITIES.

## RESOURCES.

Mdse., Inventory, .....	5288.75
Real Estate, Store and Lot, .....	1500.00
Expense, unexpired insurance, .....	64.17
	<hr/>
	6852.92
Cash, per Cash Book, .....	3140.50
Bills Receivable:	
D. T. Harris' note, per Bill Book, .....	345.00
Personal Accounts, receivable:	
R. L. Marvin, .....	_____
P. W. Johnson & Co., .....	_____
C. J. Woodin, .....	_____
	<hr/>
	1466.00
Total Resources, .....	<hr/>
	11804.42

## LIABILITIES.

Personal Accounts, payable:	
H. J. Brown, .....	_____
S. G. Hooker, .....	_____
	<hr/>
	940.00
Bills Payable:	
Note of 2nd inst., favor of M. S. Watson, .....	_____
" " 17th " " M. S. Watson, .....	_____
	<hr/>
	6325.00
Total Liabilities, .....	<hr/>
	7265.00
Present Worth, .....	<hr/>
	4539.42
Investment, .....	4030.00
Amount drawn, .....	100.00
	<hr/>
	3930.00
Net Gain, .....	<hr/>
	609.42

## CHANGING FROM SINGLE ENTRY TO DOUBLE ENTRY.

If the instructions given immediately preceding the foregoing statements have been followed, your Ledger now shows your present worth and the personal accounts of the business. It is presumed that you have already learned enough of Double Entry to enable you to readily see what this Ledger lacks to make it Double Entry. A Single Entry Ledger contains only the proprietor's account and the accounts with the persons with whom business is being done on credit; while at such a period of the business as this, when results have been shown, the Double Entry Ledger should exhibit all of the resources and liabilities. You will, therefore, open such accounts in your Ledger at this time as are necessary to make that book contain everything found in the foregoing Statement of Resources and Liabilities. By referring to that statement and taking the items as they there appear, you will find, first, that you have no account in your Ledger to represent the merchandise which you have on hand. You will, therefore, open an account with **MERCHANDISE**, one-third of a page below the last account in your Ledger, and enter on the debit side, *March 1, Inventory, 5288.75*. You will next open an account with **CASH**, one-third of a page below Merchandise, and enter on the debit side, *March 1, Balance, 3140.50*. Give all other accounts one-fourth of a page space. Next, open an account with **REAL ESTATE**, and enter on the debit side, *March 1, Store and Lot, 1500.00*. Next, open an account with **BILLS RECEIVABLE**, and debit it, *March 1, Balance, 345.00*. Next, open an account with **EXPENSE**, and debit it with the present value of the insurance policy, *March 1, Insurance, 64.17*. Next, open an account with **BILLS PAYABLE**, and enter on the credit side, *March 1, Balance, 6325.00*.

Your Ledger now contains a record of all of your property and debts, and your present worth, as shown by your statement of resources and liabilities; and since the liabilities of the business added to your present worth—all of which are on the credit side of your Ledger—are equal in amount to the sum of the resources of the business—which appear on the debit side of the Ledger—it will be clear to you that the sides of the Ledger should now be equal. To be certain that the Ledger is in balance, you will now make a trial balance, as instructed on page 63.

## QUESTIONS.

Page 62.—In Double Entry why should the sum of the debit side of the Ledger equal the sum of the credit side? What is a Trial Balance? Describe the manner of taking a Trial Balance? Page 63.—In what two ways may the net gain or net loss of a business be ascertained? Describe the manner of determining the net gain or net loss by the Double Entry method. How may the net gain or net loss on Merchandise be determined? What does the Expense account usually show? How is the loss on Expense ascertained when there is an Expense inventory? What does the Interest account show when the debit side is the greater? Page 65.—Describe the manner of closing the Ledger for the month of January. Page 68.—How does a Single Entry Ledger differ from a Double Entry Ledger? How would you change a Single Entry Ledger to Double Entry? Why should the Ledger be in balance after these steps have been taken?

## SIXTEENTH EXERCISE.

The entries for the following exercise will be made in accordance with the principles of Double Entry, and you will use the Cash Book, Journal, Bill Book, and Ledger.

The series of transactions which constitutes this exercise is a continuation of the foregoing one. It is customary to use the opposite entry in the Double Entry Cash Book, together with such an explanation of the transaction as is deemed necessary to make the record complete. For instance, where the Journal entry is "Cash, To Mdse.," you would enter on the left-hand side of the Cash Book, "Mdse." and the necessary explanation. The second entry in the exercise—the first entry in which Cash occurs—will be, "Cash, To R. L. Marvin," and your entry on the left-hand side of the Cash Book will be, "R. L. Marvin. In full of account to Feb. 15th."

MARCH 1, 190—,

Sold P. W. Johnson & Co., on account at 15 days, 100 bbls. Flour, @ \$6.50.

2. R. L. Marvin has paid his account, which was due on the 1st inst., in cash.
3. P. W. Johnson & Co. have paid cash for their invoice of Feb. 16.
4. C. J. Woodin has paid for his two invoices of Feb. 20, and Feb. 22, by giving his note, with interest, at 30 days, indorsed by J. W. Monroe, and payable at Ward & Co.'s Bank.
- " Paid my note, favor M. S. Watson, due to-day, in cash.
5. Sold Manley & Baker, Avon, on account at 30 days, 300 bush. Oats, @ 52¢; 225 bush. Corn, @ 75¢; 75 bbls. Flour, @ \$6.60.
8. Sold C. J. Woodin, on account at 10 days, 200 bush. Oats, @ 52¢; 100 bbls. Flour, @ \$6.65.
9. Paid H. J. Brown, for invoice of Feb. 22, in cash.
10. Sold Manley & Baker, on account at 30 days, 75 bbls. Flour, @ \$6.60; 250 bush. Corn, @ 76¢.
11. D. T. Harris has paid his note of \$345, which was a part of my investment, in cash.
12. Paid S. G. Hooker for my purchase of Feb. 25, in cash.
14. Sold Downing & Howard, on account at 30 days, 150 bbls. Flour, @ \$6.65.
16. P. W. Johnson & Co. have paid cash for their purchase of 1st inst.
- " Bought of M. S. Watson, on my note at 30 days, payable at First National Bank, 500 bbls. Flour, @ \$5.85.
18. C. J. Woodin has paid cash for his purchase of the 8th inst.
19. Sold J. H. Gilmore, Jr., on his note at 30 days, payable at Second National Bank, 100 bbls. Flour, @ \$6.60.
- " Paid my note, favor of M. S. Watson, due to-day, in cash.
21. Sold F. H. Case, for cash, 200 bbls. Flour, @ \$6.50; 300 bush. Corn, @ 72¢.
24. Sold C. J. Woodin, on account at 10 days, 150 bbls. Flour, @ \$6.65; 175 bush. Oats, @ 52¢.
26. Sold P. W. Johnson & Co., on account at 15 days, 125 bush. Oats, @ 51¢; 150 bush. Corn, @ 72¢.
- " Bought of H. J. Brown, on account at 15 days, 800 bush. Corn, @ 60¢.



28. Sold Manley & Baker, on account at 30 days, 50 bbls. Flour, @ \$6.  
 29. Sold C. J. Woodin, on account at 10 days, 200 bush. Corn, @ 70¢.  
 30. Bought of S. G. Hooker, on account at 15 days, 685 bush. Oats, @ 40¢.  
 31. Sold C. G. Cole, 100 bbls. Flour, @ \$6.65. He paid \$300, cash, and agreed to pay balance April 15.

There are two ways of journalizing the foregoing transaction. One is

Cash,	300.00	
C. J. Cole,	335.00	
To Mdse.,		665.00

and the other is to make two entries of it, thus:

C. G. Cole,	665.00	
To Mdse.,		665.00

Cash,	300.00	
To C. G. Cole,		300.00

The latter form is preferred; as, when posted, C. G. Cole's account will show both the amount of the purchase and the amount of the payment.

You will now balance and rule up the Cash Book, bringing the balance of cash down on the left-hand side of the Cash Book, "April 1, Balance, 436.50" Place the amount, \$436.50, in the right-hand column; post the Journal entries; make a Trial Balance; a Statement of Losses and Gains; a Statement of Resources and Liabilities; close those accounts in your Ledger which show gains and losses into Loss and Gain account, and close the Loss and Gain account into your account, bringing down your present worth, and the inventories.

### TRIAL BALANCE, MARCH 31, 190-

	DR.		CR.	
Student,.....			4539	42
H. J. Brown,.....	1480		1960	
P. W. Johnson & Co.,.....	2588	75	2417	
C. J. Woodin,.....	1228	50		
S. G. Hooker,.....			274	
Merchandise,.....	8967	75	8462	50
Cash, .....	7701	50	7265	
Real Estate, .....	1500			
Bills Receivable,.....	1490		345	
Expense, .....	64	17		
Bills Payable,.....	6325		9250	
Manley & Baker,.....	1804	75		
Downing & Howard,.....	997	50		
C. G. Cole,.....	665		300	
	34812	92	34812	92

### INVENTORY, MARCH 31, 190-,

MERCHANDISE: 125 bbls. Flour, @ \$5.75; 775 bush. Corn, @ 60¢; 1035 bush. Oats, @ 40¢; total, \$1597.75.

REAL ESTATE: Store and Lot, \$1500; EXPENSE: 10 months Insurance, 58.33; total inventory, \$3156.08.

## STATEMENT OF LOSSES AND GAINS.

## Merchandise:

Sales, shown by the credit side of Merchandise account, .....	8462.50	
Inventory, .....	1597.75	
	<u>10060.25</u>	
Cost, shown by the debit side of Merchandise account, .....	8967.75	
Gain, .....		1092.50
Expense:		
Cost, .....	64.17	
Inventory, .....	<u>58.33</u>	
Loss, .....		5.84
Net Gain, .....		<u>1086.66</u>

## STATEMENT OF RESOURCES AND LIABILITIES.

## RESOURCES.

Inventory, .....	3156.08	
Cash received, .....	7701.50	
“ paid, .....	<u>7265.00</u>	
“ on hand, .....		436.50
Personal Accounts, receivable:		
P. W. Johnson & Co., .....	171.75	
C. J. Woodin, .....	1228.50	
Manley & Baker, .....	1804.75	
Downing & Howard, .....	997.50	
C. G. Cole, .....	<u>365.00</u>	
		4567.50
Bills Receivable:		
Received, .....	1490.00	
Paid, .....	<u>345.00</u>	
On hand, .....		1145.00
Total Resources, .....		<u>9305.08</u>

## LIABILITIES.

## Personal Accounts, payable:

H. J. Brown, .....	480.00	
S. G. Hooker, .....	<u>274.00</u>	
		754.00
Bills Payable:		
Issued, .....	9250.00	
Paid, .....	<u>6325.00</u>	
Outstanding, .....		2925.00
Total Liabilities, .....		<u>3679.00</u>
Present Worth, .....		5626.08
Investment, .....	4539.42	
Net Gain, .....	<u>1086.66</u>	
Present Worth, .....		5626.08

APRIL, 190-.

DATE.	CHECK.						
1		Balance,	On hand,			436	50
2		Mdse.,	Invoice of this date,	107	50		
2		C. J. Woodin,	Bill of March 24,	1088	50		
3		Bills Rec.,	C. J. Woodin's note, per B. B.,	485			
3		Interest,	On above note,	2	43		
4		Manley & Baker,	Bill of March 5,	819	75		
8		C. J. Woodin,	Bill of March 29,	140			
9		Manley & Baker,	" " " 10,	685			
11		P. W. Johnson & Co.,	" " " 26,	171	75		
13		Downing & Howard,	" " " 14,	997	50		
15		C. G. Cole,	Balance of Bill of March 31,	365			
19		C. J. Woodin,	Bill of the 9th inst.,	168			
21		Bills Rec.,	J. H. Gilmore, Jr.'s note, per B. B.,	660			
27		Manley & Baker,	Bill of March 28,	300			
						5990	43
						6426	93

## SEVENTEENTH EXERCISE.

In this exercise the Cash Book will be kept as a principal book. That is, the cash entries will be made in and posted from the Cash Book, and omitted from the Journal. This is done to save labor. Since the cash entries may be posted directly from the Cash Book as well as from the Journal, it will be apparent that entering such transactions in both the Cash Book and Journal involves double labor, and the accountant should adopt every expedient that will diminish his labor and simplify his methods, being certain, at the same time, that his records are full and clear.

The cash entries will be made in the Cash Book precisely as described in the Sixteenth Exercise, and will be omitted from the Journal. This Exercise is a continuation of the preceding one.

APRIL 1, 190-,

Bought of M. S. Watson, on my note at 30 days, payable at the First National Bank, 550 bbls. Flour, @ \$5.85.

2. Sold for cash 15 bbls. Flour, @ \$6.40, \$96; 25 bush. Oats, @ 46¢, \$11.50; total, \$107.50.  
*(Enter on the left-hand side of the Cash Book, immediately below the balance brought down from last month, "2," "Mdse.," "Invoice of this date," "107.50." Place the amount, 107 50, in the left-hand column. See Cash Book on pages 72 and 73.)*

By placing the above amount on the left-hand side of the Cash Book, cash becomes debited as it would be if that amount were placed on the debit side of the Ledger, as, at the close of the month the aggregate of the amounts on the left-hand side of the Cash Book, less the balance brought down from last month, will be posted to the debit side of the Cash account in the Ledger. The aggregate of the amounts on the right-hand side of the Cash Book will, likewise, be posted to the credit side of the Cash account in the Ledger, causing that account to show the entire receipts and payments of cash, but requiring only one entry on each side.

2. C. J. Woodin has paid for his purchase of March 24, due to-day, in cash, \$1088.50.  
*(Enter on the left-hand side of the Cash Book "2," "C. J. Woodin," "Bill of March 24," "1088.50.")*

No Journal entry for the above is required, as C. J. Woodin will be credited in the Ledger from the Cash Book, when the entries in that book are posted; and, as before explained, cash will become debited for this amount in the aggregate of the entries on the left-hand side of the Cash Book.



APRIL, 190-.

DATE.	CHECK.						
7		Expense,	Copying Press, Stationery. etc.,	14	65		
11		H. J. Brown,	Invoice March 26,	480			
14		S. G. Hooker,	" " 30,	274			
18		Bills Pay.,	Note favor M. S. Watson, per B.B.,	2925			
31		Balance,	On hand (red ink)			3693	65
						2733	28
						6426	93

3. C. J. Woodin has paid his note of \$485, due to-day, and interest on same, \$2.43. (*Enter on the left-hand side of the Cash Book, "6," "Bills Receivable," "C. J. Woodin's note, per B. B.," "485;" and on the next line below, "6," "Interest," "On above note," "2.43."*)
4. Manley & Baker have paid for their purchase of March 5, due to-day, \$819.75. (*Since this transaction is similar to that of the 2nd, the same directions will apply.*)
7. Paid cash for Copying Press, Office Stationery, etc., \$14.65. (*Enter on the right-hand side of the Cash Book, "April 7," "Expense," "Copying Press, Stationery, etc.," "14.65."*)
8. C. J. Woodin has paid cash for his purchase of March 29, \$140.
9. Manley & Baker have paid cash for their purchase of March 10, \$685.
- " Sold C. J. Woodin, on account at 10 days, 350 bush. Oats, @ 48¢, \$168. (*This entry will, of course, be made in the Journal, as there is no cash involved in it.*)
11. P. W. Johnson & Co. have paid cash for their purchase of March 26, \$171.75.
- " Paid H. J. Brown, cash for amount of my purchase of March 26, \$480.
13. Downing & Howard have paid cash for their purchase of March 14, \$997.50.
14. Paid S. G. Hooker cash for my purchase of March 30, \$274.
- " Sold Manley & Baker, on account at 30 days, 175 bbls. Flour, @ \$6.50, \$1137.50.
15. C. G. Cole has paid cash for the balance of his purchase of March 31, \$365.
- " Paid cash for my note, favor of M. S. Watson, due to-day, \$2925.
16. Sold P. W. Johnson & Co., on account at 15 days, 125 bbls. Flour, @ \$6.40, \$800; 125 bush. Oats, @ 48¢, \$60; total, \$860.
18. J. H. Gilmore, Jr., has paid his note, due to-day, in cash, \$660.
19. Sold Downing & Howard, on account at 30 days, 175 bbls. Flour, @ \$6.40, \$1120.
- " C. J. Woodin has paid cash for the amount of his purchase of the 9th inst., \$168.
21. Bought of S. G. Hooker, on account at 15 days, 500 bush. Oats, @ 40¢, \$200.
23. Sold F. W. Miller, on his note at 60 days, indorsed by D. G. Rockwell, payable at Second National Bank, 600 bush. Corn, @ 72¢.

25. Bought of Lyman Welch, on my note at 30 days, payable at First National Bank, 600 bbls. Flour, @ \$5.75.
26. Sold C. J. Woodin, on account at 10 days, 125 bbls. Flour, @ \$6.60.
27. Manley & Baker have paid cash for their purchase of March 28, \$300.
29. Sold C. G. Cole, on account at 15 days, 150 bush. Oats, @ 48¢; 100 bush. Corn, @ 74¢.
30. Bought of H. J. Brown, on account at 15 days, 1000 bush. Corn, @ 60¢.

You will now post your Journal entries to the Ledger; balance your Cash Book, bringing the balance down below the rulings, as heretofore instructed, and post the entries in the Cash Book to the Ledger. All of the entries on the left-hand side of the Cash Book will be posted to the credit side of the Ledger, and those on the right-hand side of the Cash Book to the debit side of the Ledger. For instance, the first entry on the left-hand side of the Cash Book, below the balance brought down from last month, is "*Merch.*, 107.50," which will be posted to the credit side of Merchandise account in the Ledger, using the date of the transaction in the Cash Book and "*Cash*," for explanation, and place in the check column, in the Ledger, the page of the Cash Book from which the entry is posted. The first entry on the right-hand side of the Cash Book is "*Expense*, 14.65," which will be posted to the debit side of Expense account in the Ledger, using the date of the entry in the Cash Book, and "*Cash*," for explanation. You will also check the posted entry in the Cash Book, using the page of the Ledger on which the item was posted.

The footing of the left-hand column on the left-hand side of the Cash Book, should be posted to the debit side of the Cash account in the Ledger, dated "*April 30*," and with "*Cash Book*," for explanation, and the footing of the left-hand column on the right-hand side of the Cash Book should be posted to the credit side of the Cash account in the Ledger, with the same date and explanation as the debit.

The advantages secured by keeping the Cash Book as a principal book, it will be seen, lie in the saving of a Journal entry for every cash transaction, and the grouping of all debits of cash in the footing and posting them in one amount, and the credits of the Cash Book in the same manner.

You will now make a statement of Losses and Gains and of Resources and Liabilities. Then close the accounts in your Ledger which show losses or gains into Loss and Gain account. Next close the Loss and Gain account into your own account and balance that account, bringing your present worth below the rulings, as heretofore instructed.

#### INVENTORY, APRIL 30, 190-.

MERCHANDISE.—660 bbls. Flour, @ \$5.75; 1075 bush. Corn, @ 60¢; 885 bush. Oats, @ 40¢; total, \$4794.

REAL ESTATE.—Store and Lot, \$1500.

EXPENSE.—9 months Insurance, \$52.50; Copying Press, \$10. Total inventory, \$6356.50.

RESOURCES.—Inventory, \$6356.50; P. W. Johnson & Co., \$860; C. J. Woodin, \$825; F. W. Miller's note, \$432; Cash on hand, per Cash Book, \$2733.28; Manley & Baker, \$1137.50; Downing & Howard, \$1120; C. G. Cole, \$146; Total resources, \$13610.28.

LIABILITIES.—H. J. Brown, \$600; S. G. Hooker, \$200; Note favor M. S. Watson, \$3217.50; Note favor Lyman Welch, \$3450; Total liabilities, \$7467.50; Present Worth, \$6142.78. Total gains, \$527.18; total losses, \$10.48; net gain, \$516.70.

Student's net investment, \$5626.08; Net Gain, \$516.70; Student's Present Worth, \$6142.78.



## EIGHTEENTH EXERCISE.

<sup>1</sup> A **Draft** is a written order to pay a certain sum of money, drawn by a person, firm or corporation upon some other person, firm or corporation, in favor of a third person, firm or corporation.

<sup>2</sup> The **Parties to a Draft** are the *drawer*—the person who draws the draft; the *drawee*—the person on whom the draft is drawn; and the *payee*—the person in whose favor the draft is drawn.

<sup>3</sup> A **Sight Draft** is one that is drawn “at sight,” and in most of the states is payable on presentation.

In some of the states, however, days of grace are allowed on sight paper.

<sup>4</sup> A **Time Draft** is one that is drawn at a specified period of time “after sight,” or “after date,” and must be “accepted” by the drawee to possess any value.

<sup>5</sup> The **Drawee Accepts the Draft** by writing across the face of it “accepted,” with the date, if it be drawn “after sight,” and his name; and the draft will become due the specified time after the date of the acceptance, adding three days of grace. “If the draft be drawn a specified time “after date,” the drawer need not date the acceptance, as the draft will fall due the specified time after its date, adding three days of grace.

<sup>7</sup> **Days of Grace.** Negotiable promissory notes or bills of exchange (drafts), payable a certain time after date or after acceptance, are entitled in some states to three days delay beyond the time expressed, unless “without grace” is specified on the paper. These additional days are called “days of grace.” Days of grace are not allowed in this work.

<sup>8</sup> The **Object of the Draft** is to remove the necessity of incurring the expense and risk of shipping money. For instance: Suppose that John Wilson & Co., of Chicago, owe F. W. Graves, of New York, one thousand dollars, and that F. W. Graves owes T. H. Darrow, of Chicago, one thousand dollars; if F. W. Graves draws a draft on John Wilson & Co. for their indebtedness to him, in favor of T. H. Darrow, and the draft be paid, the three debts will have been discharged, and not a dollar of money have passed between those cities. (*See Form 1, Sight Draft, on next page.*)

<sup>9</sup> There are two ways in which the draft is commonly employed; one is in paying debts due at a distance, and the other is in collecting bills due from people residing at a distance. In paying debts due abroad a bank draft is usually employed, and in collecting debts at remote points an individual draft is drawn.

<sup>10</sup> A **Bank Draft** is a written order to pay a specified sum of money, drawn upon one bank by another with which it has funds on deposit, made payable to the purchaser, or to whoever the purchaser may wish. <sup>11</sup> Bank drafts are usually drawn “at sight;” that is, are made payable on presentation, and pass current, with proper indorsement, as readily as the actual money.

<sup>12</sup> An **Individual Draft** is a written order drawn by one person or firm upon another person or firm. For instance: If John Warren, of Springfield, owes Wm. Simpson, of Bethany, one hundred dollars, Simpson may, if the account be due, draw upon Warren for the amount, and leave the draft with a bank in Bethany for collection. The bank in Bethany will mail the draft to a bank in Springfield, which will present it to Warren for payment. If the draft be paid, the bank in Springfield will so notify the bank in Bethany, either by remittance or otherwise, when that bank will pay over to Simpson the sum collected, less a small fee for collecting it. Thus the debt will be discharged and no money be transferred. (*See Form 2, Sight Draft, on next page.*)



## FORM 1.—SIGHT DRAFT.

\$1000  $\frac{00}{100}$ 

New York, April 2, 190-.

At sight, pay to the order of T. H. Darrow,  
One Thousand Dollars, value received, and charge to  
my account.

F. W. Graves.

To John Wilson &amp; Co.,

Chicago, Ill.

## FORM 2.—INDIVIDUAL DRAFT.

\$100  $\frac{00}{100}$ 

Bethany, N. J., April 5, 190-.

At sight, pay to the First National Bank of  
Bethany, N. J., or order, One Hundred Dollars, and  
charge to my account.

Wm. Simpson.

To John Warren,

Springfield, O.

## FORM 3.—ACCEPTED DRAFT.

\$470  $\frac{00}{100}$ 

Geneva, N. Y., July 9, 190-.

At sixty days' sight, pay to the order of  
John Hillman, Jr., Four Hundred Seventy and  $\frac{00}{100}$  Dollars,  
value received, and charge to our account.

To C. A. Durand,

Columbus, Miss.

Wm. R. Bacon &amp; Co.

Accepted July 13, 190-.  
Payable to T. H. Darrow Bank.  
C. A. Durand

Several drafts will appear in the following exercise, the necessary explanations for which will accompany the transactions in which they occur. The work of this set is a continuation of the Seventeenth Exercise, and the books will be kept by Double Entry. The Cash Book will be continued as a principal book.

MAY 1, 190-.

Sold Downing & Howard, on account at 30 days, 75 bbls. Flour, @ \$6.65.

1. Paid my note favor of M. S. Watson, due to-day, in cash, \$3217.50.
2. Paid cash for repairs on store, \$9.87.
3. Sold for cash, 18 bush. oats, @ 50¢; 30 bush. Corn, @ 75¢.
5. Sold Downing & Howard, on account at 30 days, 100 bbls. Flour, @ \$6.60; 75 bush. Oats, @ 50¢.
6. P. W. Johnson & Co. neglected to pay their bill due on the 1st inst., \$860, and I drew upon them on the 4th at 10 days' sight. They have returned the draft accepted, payable at Traders Bank. The acceptance is dated May 5.

Your entry for the above will be,

Bills Receivable,	860.00
To P. W. Johnson & Co., accepted my draft, as per B. B.,	860.00

In the Bill Book, you will be the drawer, P. W. Johnson & Co. the maker, and it will be in your favor.

You will write out the foregoing draft on blank paper, and submit it to the teacher for examination. (See Form 3, Accepted Draft, page 76.) By accepting this draft, P. W. Johnson & Co. have promised to pay it thirteen days after May 5. It is now as much a Bills Receivable as though it were P. W. Johnson & Co.'s note at ten days in your favor, and should be entered in the Bill Book.

6. C. J. Woodin has paid cash for his purchase of April 26, due to-day.
- " Paid S. G. Hooker, cash for my purchase of April 21.
8. Sold P. W. Johnson & Co., on account at 15 days, 125 bbls. Flour, @ \$6.65.
9. Sold D. L. Mason, on his note at 30 days, payable at Second National Bank, 75 bbls. Flour, @ \$6.65; 100 bush. Corn, @ 72¢.
10. H. J. Brown has drawn on me at 10 days' sight, for the amount of my purchase of April 30, \$600, which I have accepted, payable at First National Bank.

You will draw up the above draft, accept it, and submit it to the teacher for examination. It should, of course, be entered in the Bill Book. The Journal entry will be,

H. J. Brown,	600.00
To Bills Payable, accepted his draft, as per B. B.,	600.00

12. Sold Downing & Howard, on account at 30 days, 200 bush. Corn, @ 74¢.
14. C. G. Cole has given me his draft, in full of his purchase of April 29, dated to-day, at 10 days' sight, on W. D. Howell & Co., which they have this day accepted, payable at First National Bank. Amount of draft, \$146.

You will draw up the above draft and present it to the teacher for examination. The form of the acceptance will be

*Accepted, May 14, 190-,  
Payable at  
First National Bank.  
W. D. Howell & Co.*

When a bank account is kept, it is usual to make all bills payable at the bank, then when they mature, if there is sufficient funds in the bank to meet them, they will be paid by the bank and charged to the maker's account as if they were checks. Your entry for the above transaction will be,

Bills Receivable,	146.00
To C. G. Cole, his draft on W. D. Howell & Co., per B. B.,	146.00

- 15 Sold C. J. Woodin, on account at 30 days, 50 bbls. Flour, @ \$6.70; 125 bush. Corn, @ 72¢.
- " P. W. Johnson & Co. have paid their acceptance, due to-day, in cash, \$860.
16. Sold, for cash, 25 bbls. Flour, @ \$6.60; 50 bush. Corn, @ 72¢.
19. Downing & Howard have paid cash for their purchase of April 19, \$1120.
20. Drew on Manley & Baker, Avon, on the 15th inst., at fifteen days' sight, for the amount of their purchase of April 14, which should have been paid on the 14th inst., and they have returned it accepted, payable at Traders Bank. The acceptance is dated May 17.
- " Paid my acceptance due to-day.

You should be careful to mark all bills "Paid" in the Bill Book at the time they are paid.

21. P. W. Johnson & Co. have given me their note, at 30 days, indorsed by L. W. Lewis, payable at Traders Bank, in settlement for their purchase of May 8, \$831.25.
22. Sold Manley & Baker, on account at 30 days, 200 bbls. Flour, @ \$6.65.
24. Bought of Lyman Welch, on my note at 30 days, payable at First National Bank, 500 bbls. Flour, @ \$5.75.
- " Received cash for an acceptance due to-day.
26. Bought of S. G. Hooker, on account at 45 days, 525 bush. Oats, @ 40¢.
28. Bought of H. J. Brown, on account at 15 days, 500 bush. Corn, @ 60¢.
29. Sold C. G. Cole, on account at 15 days, 600 bush. Corn, @ 72¢.
31. Sold D. L. Jackson, on his note at 60 days, indorsed by Moody & Lord, and payable at Traders Bank, 120 bbls. Flour, @ \$6.60; 200 bush. Corn, @ 71¢; 250 bush. Oats, @ 48¢.

You will now balance and rule up your Cash Book, bringing the balance of cash down below the rulings on the left-hand side; post your Journal and Cash Book entries to the Ledger; make a Trial Balance; a Statement of Losses and Gains, and of Resources and Liabilities; and close your Ledger, making your account show your Present Worth.

#### INVENTORY, MAY 31, 190-.

MERCHANDISE.—390 bbls. Flour, @ \$5.75; 270 bush. Corn, @ 60¢; 1067 bush. Oats, @ 40¢; total, \$2831.30.

REAL ESTATE.—Store and Lot, \$1500.

EXPENSE.—Insurance, \$46.67; Copying Press, \$10. Total inventory, \$4387.97.

RESOURCES.—Inventory, \$4387.97; C. J. Woodin, \$425; Manley & Baker, \$1330; Downing & Howard, \$1344.25; C. G. Cole, \$432; F. W. Miller's note, \$432; D. L. Mason's note, \$570.75; Manley & Baker's note, \$1137.50; P. W. Johnson & Co.'s note, \$831.25; D. L. Jackson's note, \$1054; Cash on hand, per Cash Book, \$1889.41; total resources, \$13834.13.

LIABILITIES.—H. J. Brown, \$300; S. G. Hooker, \$210; Note favor Lyman Welch, given April 25, \$3450; Note favor Lyman Welch, given May 24, \$2875; total liabilities, \$6835; Present Worth, \$6999.13.

Total gains, \$872.05; total losses, \$15.70; net gain, \$856.35.

Student's net investment, \$6142.78; Net Gain, \$856.35; Student's Present Worth, \$6999.13.



## REVIEW QUESTIONS.

**SINGLE ENTRY.**—What is Book-keeping? What is the object of keeping books? How many methods of book-keeping are there in general use? What are they called? What accounts are kept in the Ledger in Single Entry? What in Double Entry? Upon what do the books to be used in a business depend? What are the main books usually employed? What other books are sometimes used? What does the Cash Book contain? What will the difference between the sum of the receipts and payments of cash show at any time? What does the Journal contain? How much explanation of the transaction should accompany the Journal entry? Describe three ways by which this may be done. What does the Bill Book contain? What are these obligations called? What does the Ledger contain? What is an account? What is meant by posting? What is meant by the term debit? What by the term credit? What is a Resource? What is a Liability? What is meant by the term Investment? Of what may it consist? Define Present Worth. If the sum of the resources exceeds the sum of the liabilities, what does the difference show? When is the proprietor said to be insolvent? What is meant by Net Gain? By Net Loss? To what is the term cash applied? What is meant by the term Bills Receivable? What by the term Bills Payable? For what is the proprietor credited? For what debited? When are persons debited? When credited? When is cash debited? When credited? When, where, and how are Bills Receivable entered? What record is made of Bills Payable when they are issued? How many methods of keeping a Cash Book are there? Describe each method. Describe the manner of "balancing" a Cash Book in which opposite pages are used for the receipts and payments. What colored ink should be used for rulings? Give the General Rules for Single Entry Book-keeping. What is a Single Entry Ledger designed to contain? By its use, what is the proprietor enabled to know? When a purchase is partly paid for at the time it is made, what entries are usually made? What other form of entry might be made? Would there be any difference in the result by either plan? Why is the first form preferred? How is the posting done? When should an account in the Ledger be footed and ruled up? Explain the process of ruling and footing an account in which there are several entries? How is an account closed in which there is but one entry on each side? How may the Present Worth of a business be ascertained? How may the Net Gain or Net Loss be found? Of what do the Resources of a business consist? Of what do the Liabilities consist? What is an Inventory? How is property on hand usually estimated at the time of taking inventory? How can the proprietor's account be made to show his present interest in the business? How frequently are statements of resources and liabilities made in business?

**DOUBLE ENTRY.**—What must be represented in a Double Entry Ledger? What use is made of the Day Book? When should the record be made in this book? Why? How generally is this book used? When this book is not employed where are the entries for transactions made? How fully are the entries explained? What is said of recording every transaction? What is the Sales Book designed to contain? The Invoice Book? What other form of Sales Book is sometimes kept? What other form of Invoice Book? When is the Proprietor credited? When debited? When are Persons debited? When credited? When is Cash debited? When credited? For what is Bills Receivable account debited? For what credited? For what is Bills Payable account credited? For what debited? For what is Merchandise debited? For what credited? For what is Expense debited? For what credited? When is Interest debited? When credited? In Double Entry why should the sum of the debit side of the Ledger equal the sum of the credit side? What is a Trial Balance? In what two ways may the Net Gain or Net Loss of a business be ascertained? Describe the manner of determining the Net Gain or Net Loss by the Double Entry method? How may the gain or loss on Merchandise be determined? What does the Expense account usually show? How is the loss on Expense ascertained when there is an Expense inventory?

What does the Interest account show when the debit side is the greater? Describe the manner of closing the Ledger for the month of January. How does a Single Entry Ledger differ from a Double Entry Ledger? How would you change a Single Entry Ledger to Double Entry? Why should the Ledger be in balance after these steps have been taken? What is a draft? What are the parties to a draft called? What is a sight draft? A time draft? How is a draft accepted? What are days of grace? What is the object of the draft? How many ways, and what are they, in which the draft is commonly employed? What is a bank draft? How are bank drafts usually drawn? In what respects does a bank draft differ from an individual draft?

## ABBREVIATIONS AND CONTRACTIONS.

*a.* or *@* (L. *ad.*) To or at.  
*A 1.* First Class.  
*Acc., Acct., or q/c* Account.  
*Amt.* Amount.  
*Apr.* April.  
*Aug.* August.  
*Bal.* Balance.  
*B.* Billed.  
*B. B.* Bill Book.  
*Bbl.* or *brl.* Barrel, Barrels.  
*Bk.* Bank; Book.  
*Bills Rec.* Bills Receivable.  
*Bills Pay.* Bills Payable.  
*B/L* Bill of Lading.  
*Bot.* Bought.  
*Bu.* or *bush.* Bushel.  
*Bx.* Box or Boxes.  
*c.* or *¢.* Cents.  
*D. B.* Day Book.  
*C. B.* Cash Book.  
*Co.* Company; County.  
*C. O. D.* Cash (or Collect) on Delivery.  
*Cr.* Credit.  
*Ct.* or *ct* Cent.—(L. *Centum*). A hundred  
*Das.* Days.  
*Dec.* December.  
*Dep.* Deposited.  
*Dft.* or *dft.* Draft, Defendant.  
*Disct.* Discount.  
*Do.* or *do.* (It. *Ditto*.) The same.  
*Dr.* Debtor; Doctor.  
*ea.* Each.  
*Exch.* Exchange.  
*Feb.* February.  
*F. O. B.* Free on Board.  
*Fr't.* Freight.  
*Gal.* or *gal.* Gallon; Gallons.  
*Hhd.* or *hhd.* Hogshead.  
*I. B.* Invoice Book.  
*Ins.* Insurance.

*inst.* Instant,—in the present month.  
*Int.* or *int.* Interest.  
*Inv.* Invoice.  
*Inv't.* Inventory.  
*Jan.* January.  
*L., lb., or lb* (L. *Libra*.) A pound, in weight.  
*Led.* Ledger.  
*L. F.* Ledger Folio.  
*Mar.* March; Maritime.  
*Mdse.* Merchandise.  
*Mo.* or *mo* Month.  
*Mon.* Monday.  
*No.* or *#.* (L. *Numero*.) Number.  
*Nov.* November.  
*O. B.* Order Book  
*%.* Per cent.  
*Oct.* October.  
*Oz.* or *oz.* Ounce or ounces.  
*Payt.* Payment.  
*Pd.* Paid.  
*Per cent., per cent., Per ct., or per ct* (L. *Per centum*.) By the hundred  
*Pkg.* Package.  
*Pr., pr., or p.* (L. *per*.) By.  
*Pcs.* Pieces.  
*Recd.* Received.  
*R. R.* Railroad.  
*\$.* Dollar; Dollars.  
*Sat.* Saturday.  
*S B.* Sales Book.  
*Sep* or *Sept.* September.  
*Sunds.* Sundries.  
*Thurs.* Thursday.  
*Ult., ult., or ulto* (L. *ultimo*.) Last, or of the last month  
*Viz.* or *viz.* (L. *videlicet*.) Namely; To wit.  
*Wed.* Wednesday.  
*Wt.* or *wt* Weight.  
*Yd.* or *yd.* Yard.  
*Yr* Year.

## APPENDIX.

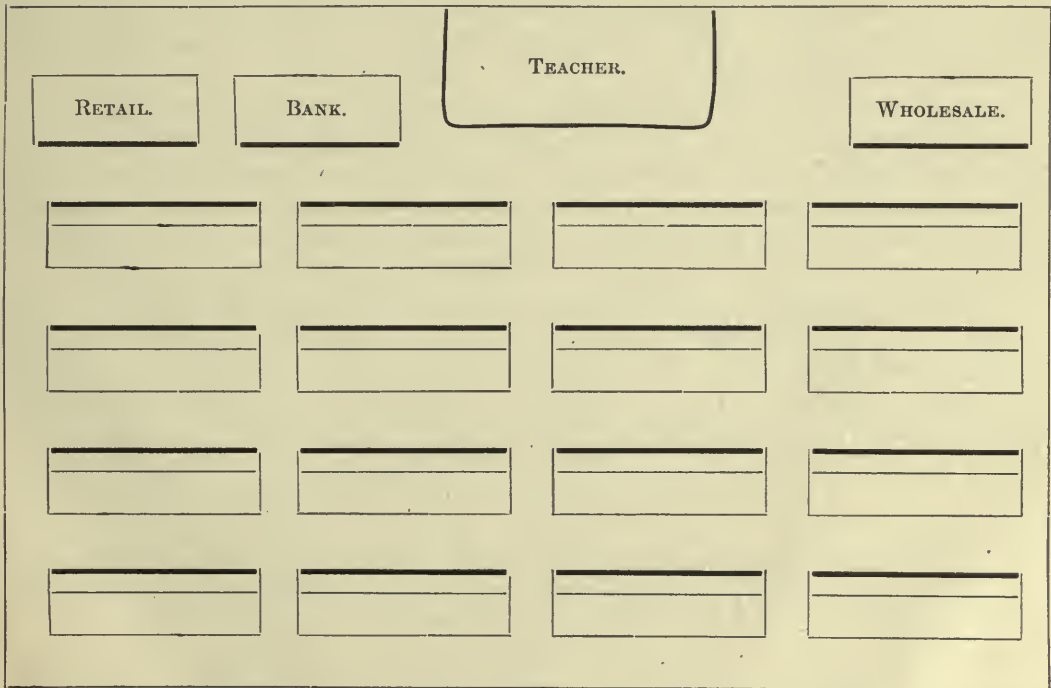
### BUSINESS PRACTICE.

**Object.**—<sup>1</sup>This exercise is designed to give the student practice in drawing business papers, handling money, and making records in connection with business transactions. <sup>2</sup>It is also designed to illustrate some of the labor saving methods of book-keeping now in use among business men.

**Plan.**—<sup>3</sup>The exercise may be worked with or without offices, at the discretion of the teacher. <sup>4</sup>Where offices are not provided, the teacher, or some one appointed by him, will represent the other parties to the transactions, receiving the money, papers, etc., of the business practice students, and examining them with reference to accuracy in computation, correctness of form, etc. <sup>5</sup>The directions for performing the work given in connection with the memoranda, are based upon the plan of not using offices. These directions are full and explicit, and the student should have no difficulty in performing the work correctly and understandingly.

**Offices.**—<sup>6</sup>Where the circumstances will admit, the value of the work will be considerably increased by establishing at least three offices, viz.: (1) School Bank, (2) Wholesale House, (3) Retail House. <sup>7</sup>At the first, all banking business will be done; <sup>8</sup>of the second, all goods will be bought; and <sup>9</sup>to the third, all goods will be sold. It should not be understood that expensive furniture is necessary for these offices, as common deal tables or ordinary school desks, arranged as shown in the following diagram, will serve the purpose admirably.

DIAGRAM OF SCHOOL ROOM,  
Showing arrangement of Business Practice Offices.



Or, if a simpler plan be desired, three desks in the front row of the school-room may be used to represent offices. <sup>10</sup>Books may or may not be used in these offices, at the discretion of the teacher.



## CASH RECEIPTS.

DATE.	L. F.				MDSE.	GENERAL.
190- June 1		Balance,	On hand,			
	✓	Mdse.,	C. W. Dale & Co., S. B. 14	12	50	2700
	15	Geo. P. King,	On acct.,			50 75
	2	✓	W. C. Green, S. B. 15	58	60	
	60	Bills Rec.,	Troup & Co.'s note, # 169,			500
	3	✓	Geo. W. Beech, S. B. 17	28	12	
	63	Bills Payable,	Our 30-da. note discounted,			5000
	4	✓	Mdse. Sales per sales drawer,	14	80	
	13	Martin Bros.,	In full Inv. 1st. inst.,			128 50
	5	✓	Cook & Co., S. B. 20	54	80	
	18	Mdse.,	Total for week,	168	82	168 82
						8548 07
June 6		Balance,	On hand,			7537 59

Complete directions for establishing and operating the offices, together with explanations of the books that may be used, the duties of the clerks, etc., are given in the Teacher's Key to this book.

**Writing Business Forms.**—<sup>11</sup> The student will derive benefit from this work just in proportion as he exercises care in the preparation of the various business papers, and in making the records upon his books. <sup>12</sup> Particular attention should be given to penmanship, spelling, use of capitals, neatness and general arrangement. <sup>13</sup> The computations should, of course, be absolutely correct.

**Books to be Used.**—<sup>14</sup> The books to be used in this set are Journal, Ledger, Bill Book, Trial Balance Book, Sales Book, Check Book, and Cash Book. The special books introduced, are Sales Book, Cash Book, and Check Book. (For illustrations and explanations of these books, see pages ii, iii, and v.) <sup>15</sup> The Ledger, Bill Book, and Trial Balance Book are used the same as heretofore. <sup>16</sup> The Journal is used for such entries as do not properly belong in the Cash Book and Sales Book.

<sup>17</sup> The **Sales Book** is used exclusively for a record of the sales of merchandise, whether made on account or for cash. <sup>18</sup> The book is provided with two money columns, <sup>19</sup> one for extensions and for the footings of cash sales, and <sup>20</sup> the other for the footings of time sales. (See form of Sales Book, page v.) <sup>21</sup> Cash sales are marked "Paid" in the Sales Book, and an entry is made for each cash sale in the Cash Book, the amount being extended into the special Merchandise column. (See form of Cash Book, page ii.) <sup>22</sup> Sales on account, or time sales, are posted direct from the Sales Book to the Ledger, each purchaser being debited for the amount of his purchase, and <sup>23</sup> the footing of these time sales is posted to the credit of Merchandise account at the end of the week or month. (See form of Sales Book, page v.) <sup>24</sup> Posting the footing of the Sales Book to the credit of Mdse. instead of the amount of each invoice, is one of the labor saving features of this set.

<sup>25</sup> The **Cash Book** here used, is provided with two money columns on each page, the same as were the cash books used in the preceding sets; but <sup>26</sup> one of these columns on each page is used for a special purpose, and hence is called a special column. <sup>27</sup> The one on the left-hand page is used to record daily cash sales of merchandise, and <sup>28</sup> the one on the right-hand page, for cash expense items. (See form of Cash Book, pages ii, and iii.)

## CASH PAYMENTS.

DATE.	L. F.			EXPENSE.	GENERAL.
190-.					
June 1	✓	Expense,	Pens 50¢, Ink 25¢, Pencils 40¢,	1 15	
	81	M. W. Dowe & Co.,	In full of acct.,		150 08
2	✓	Expense,	2 tons Coal,	9 50	
	63	Bills Payable,	Our \$ 415 paid at bank,		600
3	18	Discount,	On our 30-da. note of \$5000,		25 00
	48	Perrin & Cook,	In full Inv. 10th ult.,		180 75
4	✓	Expense,	Cleaning office,	2 50	
	59	Furniture & Fixts.,	Bill office desks,		18 50
5	✓	Expense,	Salaries for week,	20 50	
	40	Expense,	Total for week,	33 65	33 65
			<i>In bank,</i> \$7500.00		1007 98
		<i>Balance,</i>	<i>In safe,</i> 41.09		7541 09
					8548 07

<sup>29</sup> By the use of special columns, fewer entries are made in the Ledger than by the other method, thereby saving time and space. <sup>30</sup> At the end of the week or month, these special columns are footed, and the footings are extended into the general columns. <sup>31</sup> The items which appear in the general columns are posted daily; <sup>32</sup> those in the special columns are not posted separately, but at the end of the week or month the total amount is posted. <sup>33</sup> The check-mark (✓) is placed in the folio column opposite each special column item, to show that it is not to be posted. <sup>34</sup> The Ledger page is used as a check-mark for all other items. (See form of Cash Book, pages ii, and iii.) <sup>35</sup> This Cash Book is balanced the same as were the ones used heretofore, excepting that the cash on hand is itemized. (See form of Cash Book, page iii.)

<sup>36</sup> The **Check Book** used in this set is the same in form as the one illustrated on page 55. (See page 55.) <sup>37</sup> The bank account is kept on the stub of this book instead of in the Ledger as was the case in the fifteenth exercise. (See note top of page 50.) <sup>38</sup> When a deposit is made, it is added to the amount in the bank and <sup>39</sup> when a check is drawn it is deducted, <sup>40</sup> thus showing at all times the balance in the bank. <sup>41</sup> Some bookkeepers use both sides of the check-stub for the bank account, while others use only the back of the stub for that purpose. Each method has its peculiar advantage, but the one here used has the merit of being simple, and is easily understood. <sup>42</sup> In proving the Cash Book, the amount in bank is added to the amount in drawer or in safe, and <sup>43</sup> in balancing the Cash Book, the amount in bank and the amount in safe are entered on the right-hand side of that book, to "show of what the balance consists. (See form of Cash Book, page iii.)

**Business of the Set.**—<sup>44</sup> The business represented by this exercise is that of wholesaling Fruits and Confections. The time covered by the memoranda of transactions is two weeks, commencing Monday, June 1, 190-, and ending Saturday, June 13, 190-,

The student who has faithfully worked the preceding sets in this book will have no difficulty in performing the work of this set. It is the crowning exercise of the book, and one from which the diligent and thoughtful student will derive great benefit.

The student should study carefully all of the instructions and explanations printed in connection with the memoranda of transactions in order that he may perform the work correctly and understandingly. The aim in writing the set has been to not only tell the student



## DEPOSIT TICKET, OR SLIP.

DEPOSITED BY	
<i>P. W. Cook,</i>	
IN THE	
SCHOOL BANK,	
<i>June 4, 190-</i>	
Currency,	200
Checks — Lyons,	110
Hartford,	100 20
	410 20
Coll.	20
	410 00

## BANK

## BOOK.

Dr. SCHOOL BANK, In Acct. with *P. W. Cook, Cr.*

190-	June			190-	June		
	1	Cash,	500		2	\$12.50, \$2.50, \$100,	115
	3	Cash,	250		4	\$60, \$80, \$13.40,	153 40
	4	Cash,	410		5	\$25, \$18, \$40, \$8.10,	91 10
	5	Cash,	100 00		8		75
	8	Cash,	350 80		10	\$45, \$10.20,	55 20
	10	Cash,	375 95		15		89 50
	15	Cash,	154 35				579 20
	15	Collection,	198 50		15	Balance,	1760 40
			2339 60		14	Vouchers return'd,	2339 60
June	16	Balance,	1760 40				

what to do but also why he does it, and it should be the student's aim to not only do the work as directed, to the best of his ability, but to understand why he does it.

"Dealers buy their goods at wholesale from jobbers, manufacturers and producers. "These goods have to be transported from the place of business of the seller to that of the buyer. "When the two places are in the same city, the goods are usually transported by wagon. "When they are not in the same city, they are transported by rail or by water. "The parties who transport these goods from seller to buyer are called common carriers. "They are usually railroad, express, or steamboat companies, "and they make a charge for their services. "This charge is usually paid by the buyer of the goods, when they are delivered to him, but sometimes the seller pays them in advance of the transportation of the goods.

"When goods are sold at wholesale, an invoice is usually sent to the buyer. "The object of the invoice is to show the number, kind and quality, and price of each article sold, the date, the terms of sale, and the net amount of the invoice. "When goods are received they are examined to see if the quantity and kind compare with the entries on the invoice. "If the goods "tally" all right, a check-mark is placed by the receiving clerk opposite each entry on the invoice, and "if the prices are correct, the invoice is marked O. K. by the buyer. "It is then sent to the bookkeeper to be recorded.

"When goods are sold a record is usually made in a book called a Sales Book, and "from this entry the invoice is made and sent to the purchaser of the goods. (*See form of Sales Book, page v.*)

**Suggestions to the Student.**—"See that an invoice is received for every purchase of merchandise, and be sure that the amount is correct before entering it in your Journal. "Enter all sales of merchandise in the Sales Book, and render bills for the same from that book. "When cash is received from whatever source, be sure to make an entry for it at once in the cash book. "If the cash is received in payment of a bill of goods or to apply on account, a receipt in some form should be given the one making the payment. "Count all money twice, whether you receive it or pay it out. "When payments are made in currency, be sure to make an entry in the Cash Book before paying the money, and be sure also to get a receipt for all payments on account. "When checks are issued, be sure to fill out the stub before you do the check. "When you receive a check, note, or draft, be sure to examine it to see if it is properly drawn and that the amount is correctly written; and when you give one of these papers, be sure that it also is correct.



SALES BOOK.

MARION, JUNE 1, 190—,

L. P.						
16.	G. W. Smalley, Cory. On acct. 10 days.	50 brls. Empire Flour, 10 brls. Star Flour,	\$7.00 \$6.50	350 65		415
Paid.	C. L. Troup, City.	40 brls. Star Flour, 10 brls. Empire Flour,	\$6.50 \$7.00	260 70		
				330		
		3.				
19	Erwin Bros., City. On acct. 10 ds.	1 ton Bran, 500 bu. Oats,	38¢	20 190		210
18	To Mdse.,	Total sales on time,				625

**To the Teacher.**—In case this set is worked independently of offices, the invoices of the merchandise which the student is to buy, should be made out in advance. This may be done by each student for himself before beginning work on the set, or one or more students may be assigned the work of billing for the other members of the class. The blank bill heads for this purpose may be taken from the student's package of business forms. The teacher should examine these invoices with reference to arrangement, neatness, and accuracy of computation. The correct amount of each bill will be found in the key under the heading, "Journal," for each day. After the invoices are made out, they should be arranged in proper order and filed in convenient form with the teacher, to be called for by the student as he reaches them in his work. The teacher should examine, also, the other business papers and the books of the student as frequently and critically as his time will permit, or the circumstances require. Careless or inaccurate work of any kind should not be tolerated. The daily statements should be kept checked up to date, and the student should not be permitted to go on with the work of any date, until his work of the preceding date is found to be correct.

**Money and Stationery.**—The plan of this set contemplates the use of school money, and various kinds of blank business forms, in addition to the blank books mentioned above. The blank books made to accompany this book, contain ample space for all the sets. Each student will require one package of business forms, and there will be needed a supply of school money. The quantity of money required is given in the Teachers' Key. The publishers of this book can furnish both the money and the forms. The use of representative merchandise, or merchandise cards, is not recommended, for the reason that the object of the set is not to attempt to teach the art of buying and selling, which can only be learned in actual business, but it is to teach the art of drawing business papers, handling money, and making records in connection with business transactions.

**Space in The Ledger.**—Give Merchandise account 22 lines, and all other accounts 11 lines' space in the Ledger.

## MEMORANDA OF TRANSACTIONS.

JUNE 1, 190—,

Commence business this day as a dealer in Fruits and Confections at the store No. 47 Main St., this city.

Make a memorandum of the above in your Journal. Read carefully all instructions and explanations printed in this size of type.

Invest cash in the business \$5000.

Get the money from the teacher and make an entry for it in the Cash Book, extending the amount into the general column. (*See form of Cash Book, pages ii and iii.*)

Head the Cash Book, as shown in the illustration, by writing "Cash Receipts" in a bold, plain hand, on the blue line at the top of the left-hand page, and "Cash Payments" on the same line at the top of the right-hand page. Write the current year at the head of the date column on each page. Sometimes the month and year are written at the top of the page, and then the days of the month only are written in the date column.

Write the word "Mdse" at the head of the first money column on the left-hand page, and the word "Expense" at the head of the first column on the right-hand page. (*See 27 and 28, page ii. See, also, form of Cash Book, pages ii and iii.*)

Pay Creed & Wilson, city, \$10 for office books and stationery, as per their bill of May 29. (*C. B. Expense account. Extend the amount into the special Expense column.*)

These goods are supposed to have been bought previous to commencing business, at which time a bill was received and placed on file. Now that the books are open, the bill is paid and entered, as above.

A receipt should always be obtained for money paid on account. In business the receipt is usually made and signed by the one to whom the money is paid. But in this work, to save the teacher unnecessary labor and to give you additional practice, you will be required to draw up the business papers, except the signatures, of all the parties to the transactions. You will, of course, sign your own papers, and the teacher, who represents the other parties, will sign all the other papers.

*Remember this:* While you may draw up any form of business paper you please, you have no right to sign another person's name to the paper, unless authorized to do so by the person himself. The signing of another person's name to a business document, with intent to defraud, is forgery, and forgery is a *crime*.

You will now take from your package of business forms a receipt blank and fill it out for the teacher to sign. A receipt should show when and where the money was paid, by whom and to whom paid, the amount and for what paid. Your receipt when made and signed should correspond to the following

## FORM OF RECEIPT.

<i>City, June 1, 190.....</i>	
<i>Received of "Student"</i>	
<i>Ten</i>	<i>Dollars,</i>
<i>In payment of Mdse., per bill of May 29.</i>	
<i>Creed &amp; Wilson,</i>	
<i>per "Teacher."</i>	
<i>\$10 <sup>00</sup>/<sub>100</sub></i>	

Sometimes the bill itself is sent with the money, when a payment like the above is made, and then the bill is receipted and returned.

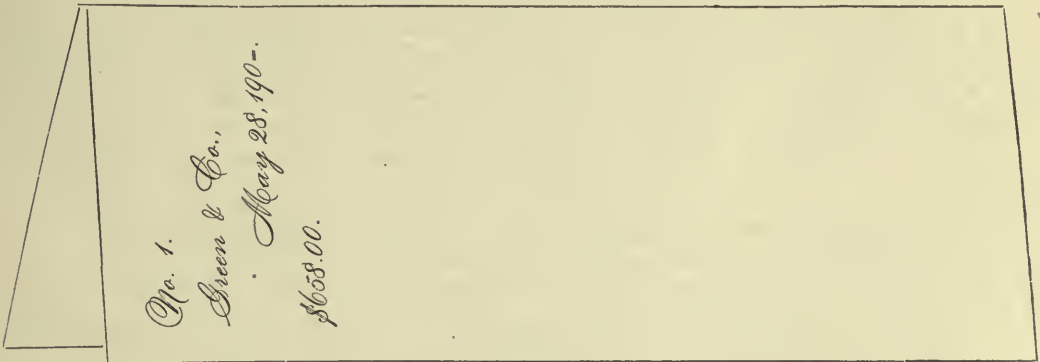
In dating all of the business papers in this work, use the name of the place in which your school is located. For instance, if in Athens, Pa., you would date the above receipt "Athens, Pa., June 1, 190-", excepting in the place of the dash after the 9 you would write the figure that would cause the number to express the current year.

Now deliver the money and the receipt to the teacher, who will sign the latter and return it to you. Place the receipt, after it is signed, in the envelope marked "VOUCHERS," which you will find in your package of business forms. A voucher is a document or paper proving that some transaction has occurred.

Receive from the following firms invoices of merchandise bought on account: Green & Co., New York, Invoice No. 1, dated May 28th, 100 bxs. Oranges, @ \$3.50; 100 bxs. Lemons, @ \$3.00; 100 Pineapples, @ 8¢ ea. C. B. Smith & Co., Buffalo, Invoice No. 2, dated May 30th, 50 bxs., 5 lbs. ea., Assorted Candy, @ 18¢; 100 lbs. Stick Candy, @ 12¢; 100 bxs. 5 lbs. ea., Gum Drops, @ 15¢. Boone & Cook, Batavia, Invoice No. 3, dated May 27th, 50 bbls. Early Harvest Apples, @ \$5.75. (*Enter in Journal but do not detail the items.*)

Call at the teacher's desk and get the above mentioned invoices. (*See 54 to 59 page iv.*) After the invoices have been verified, enter them in the Journal. Then in the lower left-hand corner of each invoice write, "Entered in J" and also the page on which the entry appears. Next fold each invoice and file it as illustrated below, and place in the envelope marked "Invoices," which you will find in your package of business forms.

#### FORM OF FOLDING AND FILING INVOICES.



The above is one of the simplest methods of folding and filing invoices. Another, and a quite common method, is to paste the invoices in a blank book, called an Invoice Book.

In most modern business offices, the invoices, letters and other papers to which frequent reference is likely to be made, are filed in labor-saving mechanical devices, made expressly for this purpose, and of which there are many varieties.

Sell to Moore & Son, city, for cash: 1 bx. Oranges, \$6; 1 bx. Lemons, \$5.50; 1 bbl. E. H. Apples, \$7. (*Enter in Sales Book and mark "Paid." See 17 to 21, page ii. See also 60 and 61 page iv.*)

After entering the sale in your Sales Book make out the invoice and hand to teacher. Write "Cash" after the word "Terms" on the invoice. When the cash is paid to you receipt the invoice, as shown in the form on the following page.

Upon returning to your desk and before putting away the money, enter the foregoing cash sale in your Cash Book. (*See 27, page ii, and form of Cash Book, page ii.*)

Sell Horton Bros., city, on account: 5 bxs. 5 lbs. ea., Assorted Candy, @ 25¢; 4 bxs.



## FORM OF RECEIPTED INVOICE.

City, June 1, 190.....

Messrs. Moore &amp; Son,

City,

TERMS:— Cash.

Bought of "STUDENT,"

1	bbl. E. H. Apples.	7			
1	do. Oranges,	6			
1	do. Lemons,	5	50		
Paid "Student."				18	50

Oranges, @ \$6; 2 bxs. Lemons, @ \$5.50. (Enter in Sales Book, extending the amount into the second money column. See form of S. B. page v.)

Sell Lyman & Co., city, on account: 10 bbls. E. H. Apples, @ \$7.25; 20 bxs. Oranges, @ \$5.75; 10 bxs. Lemons, @ \$5.50.

Sell Parsons & Co., city, on account: 5 bxs., 5 lbs. ea., Assorted Candy, 25¢; 5 bxs., 5 lbs. ea., Gum Drops, @ 20¢; 25 lbs. Stick Candy, @ 16¢; 24 Pineapples, @ 12½¢; 1 bbl. E. H. Apples, \$7.25. (Render invoices for the above sales, but do not receipt them. Deliver the invoices to the teacher.)

Deposit in School Bank, cash, \$4750. (Enter in Check Book only. See form of Ck. B., page 55.)

When a deposit is made in a mercantile bank a deposit slip or ticket, properly filled out, and the bank book should accompany the deposit. The deposit slip is for the convenience of the bank, as it shows by whom and when the deposit was made, of what it consisted and the amount. (See form of deposit slip, page iv.)

The bank book is for the benefit of the depositor, as it contains receipts from the bank, in the form of entries, for all deposits. It also contains a record of the checks that have been paid by the bank. (See form of Bank Book, page iv.)

The deposits are entered on the left-hand pages, and the checks on the right-hand pages of the bank book. The deposits are entered at the time they are made, but the checks are not entered until the book is "written up," which is at such times as the depositor leaves his book at the bank for that purpose. When the bank book is written up it exhibits a copy of the depositor's account, as it appears on the books of the bank, the balance to his credit, and the number of vouchers returned to him. (See form of Bank Book, page iv.)

In business, banks furnish their depositors the necessary stationery, such as deposit slips, check books and bank books, for transacting their banking business. Some business men, however, prefer, for various reasons, to use Check Books made expressly for themselves.

You will now fill out a deposit slip for the above deposit (see form, page iv), and make an entry for it in the Check Book. (See form of Check Book, page 55.) Next count out the money to be deposited, and place it and the deposit slip between the leaves of your bank book, in such a way that, when the deposit is taken out, the deposit slip will be on top, and the book will be open at the page where the entry for the deposit will be made. Next hand the bank book and its contents to the teacher, who will give you credit for your deposit, after first writing your name on the cover and at the top of the right-hand page of your bank book. (See form of Bank Book, page iv.)

No entry is required in the Cash Book when a deposit is made, for the reason that cash in bank is treated as cash on hand.

Pay rent of store for one week by check on School Bank, \$12.50.

Open the Check Book and fill out the stub of the first check as follows: On the No. line write "1"; on the Date line write "June 1, 190-"; on the next line write "J. B. Clark"; on the next, "rent of store 1 week"; and in the money column opposite the word "Am't" write "12.50." (See form of Check Book, page 55.) Deduct the amount of the check from the amount on deposit.

After filling out the stub, but not before, fill out the blank check at the right of and attached to the stub, then detach the check. In filling out a check be careful to write legibly. Notice that the amount is written twice in the check, once in figures and once in words. The words should be commenced at the extreme left of the amount line, and if after writing them there should be any space between them and the printed word Dollars, it should be filled with a heavy wave line. (See form of Ck. Bk., page 55.) The figures should be written close to the dollar sign.

Now make an entry on the right-hand side of the Cash Book, as follows: June 1, Expense, rent per check No. 1, 12.50, extending the amount into the special expense column. (See form of Cash Book, page iii.) Next turn to the Check Book and on the stub under the word "For" make a check-mark ✓, which indicates that the check has been entered in the Cash Book. Bear in mind that the stub of the Check Book is used as a Day Book for payments made by check, and that the entries made in the Cash Book for the same are debit entries.

Next fill out a blank receipt for the above payment, and hand it and the check to the teacher. File the receipt as heretofore instructed.

You will now prove your cash and post the books. The sum of the cash in bank and in drawer should equal the difference between the sides of the Cash Book. Foot the columns of the Cash Book daily in pencil, but do not rule the book until so directed. Make your pencil footings small and close to the ink figures. Post from the Journal the same as heretofore. (See page v for Ledger space.) In posting from the Cash Book, post only the items which appear in the General columns, those on the left-hand page to the credit, and those on the right-hand page to the debit of their respective accounts. Check each Mdse. and Expense item thus ✓. Post from the Sales Book the time sales, debiting each purchaser for the amount of his purchase. The footing of the time sales column in the Sales Book and the footing of the special columns in the Cash Book will be posted at the end of the week.

## DAILY STATEMENT.

### JOURNAL ENTRIES.

Mdse.-----1077.50.  
 To Green & Co.-----658.  
 C. B. Smith & Co. 132.  
 Boone & Cook ----287.50.

### SALES BOOK ENTRIES.

Moore & Son (Pd.) -----18.50.  
 Horton Bros.-----41.25.  
 Lyman & Co. -----242.50.  
 Parsons & Co. -----25.50.

### CASH PROOF.

DEPOSITED-----4750.  
 BANK BALANCE-----4737.50.  
 ON HAND-----258.50.

Name-----"Student,"

Date-----June 1.

The student will fill out this blank and hand to the Teacher after completing the work of each date.

After posting the books, take from your package of business forms a blank Daily Statement, and fill it out as shown in the accompanying form, and hand to the teacher.

Before commencing the work of any date, learn if your statement for the preceding date was correct.

In your record work observe the following instructions:

Write a small hand.

Do not shade except in Ledger headings.

Make small, legible figures.

Foot all columns first in pencil.

Do not make any erasures in a book of original entry.

If you make a mistake, draw your pen through the writing and make the correct record above it.

Do not omit to write the year at the head of every year column in all your books.

Keep your books neat and clean and free from blots.

JUNE 2, 190-

Pay freight bill, \$22.95, in cash, for the goods received from Green & Co. on the 1st inst. The weight of the goods is as follows: 100 bxs. Oranges, 7500 lbs.; 100 bxs. Lemons, 7500 lbs.; 1 hhd. Pineapples, 300 lbs. Rate, 15¢ per cwt. (*Enter in Cash Book, and charge Mdse. account extending the amount into the general column.*)

When goods that have been shipped by freight are delivered to the buyer, he is required to sign a receipt for them, and to pay the freight charges, if any, for which payment he also is given a receipt. Both receipts are made out by the transportation company, and are similar in form to the following:

## FREIGHT BILL.

Date of W. B. <i>May 28.</i>		W. B. No. <i>315</i>		<i>June 1, 190-</i>	
<i>"Student,"</i>					
To the <b>INTER-STATE TRANSPORTATION COMPANY, Dr.</b>					
For Transportation from <i>New York City</i> to ( <i>this place</i> ).					
		WEIGHT.	RATE.	AMOUNT.	
<i>100 bxs. Oranges,</i>		<i>7500</i>			
<i>100 bxs. Lemons,</i>		<i>7500</i>			
<i>1 hhd. Pineapples,</i>		<i>300</i>			
		<i>15300</i>	<i>15¢</i>	<i>22</i>	<i>95</i>
ADVANCE CHARGES.					
No. Car W. S. <i>75306</i>		Received payment,			
		<i>H. T. Jones,</i>			
		SPECIAL NOTICE.			
		Freight Agent.			
Payment is required on delivery of Goods, and will not be valid unless made to the Freight Agent, or to some person authorized by him.				\$	<i>22 95</i>

## FREIGHT RECEIPT.

Date of W. B. <i>May 28.</i>		W. B. No. <i>315</i>		<i>June 1, 190-</i>	
<b>RECEIVED</b> <i>June 1, 190-</i> , from the INTER-STATE TRANSPORTATION COMPANY,					
the following packages from <i>New York City</i> , in good order, marked:					
<i>"Student,"</i>					
<i>100 bxs. Oranges,</i>					
<i>100 bxs. Lemons,</i>					
<i>1 hhd. Pineapples.</i>					
					CHARGES, \$ <i>22.95</i>
Car No. W. S. <i>75306</i>			<i>"Student."</i>		

You will now take from your package of business forms a blank Freight Bill and Freight Receipt, and fill them out as shown in the forms above. Sign the Freight Receipt.

Then hand the Freight Bill, Freight Receipt, and the money to the teacher, who will sign and return the Freight Bill to you after detaching it from the Freight Receipt. File the receipted bill as a voucher.



Pay the following petty expenses in cash: Pens 50¢, ink 75¢, pencils 60¢, pins 15¢.

Short extend the above items in Cash Book, thus: *June 2. Expense. Pens <sup>50¢</sup> ink <sup>75¢</sup> pencils <sup>60¢</sup> pins <sup>15¢</sup>—2.00.*

Pay the cash to the teacher. No receipt is required. No bill is necessary, as goods sold over a retail counter for cash are never billed, unless the amount is large or a bill is called for.

Sell for cash to W. G. Mason, city: 5 bxs. Oranges, @ \$6; 1 bbl. E. H. Apples, \$6.50; 1 bx. Lemons, \$5.50. (*S. B. & C. B.*) (*See 18 to 21, p. ii.*)

Render bill and receipt the same, then hand to the teacher and receive the cash. (*See form of receipted invoice, page viii.*)

Sell Newman & Son, city, on account: 10 bbl. E. H. Apples, @ \$7; 5 bxs. Oranges, @ \$6.

Sell R. D. Lawrence, city, on account: 1 bx. Oranges, \$6; 5 bxs. Lemons, \$5.40; 5 bbls. E. H. Apples, \$6.90.

Sell Brown & Son, Hartford, on account: 20 bxs. Lemons, @ \$5.50; 20 bxs. Oranges, @ \$6. (*Enter the above sales in the Sales Book and render invoices for the same. Foot and rule the S. B. at the bottom of the first page and carry the footing forward to the next page. See form of S. B., page v.*)

As Brown & Son's place of business is not in this city, the goods will have to be shipped to them. (*See 47 to 51, page iv.*)

When goods are delivered to a railroad or an express company for transportation, a receipt for the goods is given the shipper by the company. These receipts are usually made out by the shipper on blanks furnished by the transportation company, and are signed by an agent of the company.

A receipt for the above shipment would be similar in form to the following

#### SHIPPING RECEIPT.

*Received from "Student"*

(THIS PLACE), June 2, 190—,

### BY INTER-STATE TRANSPORTATION COMPANY,

The property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below, which said Company agrees to carry to the said destination, if on its road, otherwise to deliver to another carrier on the route to said destination.

It is mutually agreed, in consideration of the freight charged for this service, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the conditions, whether printed or written, shown or endorsed hereon, and which are hereby agreed to by the shipper and by him accepted for himself and his assigns as just and reasonable.

MARKS, CONSIGNEES, AND DESTINATION.	DESCRIPTION OF ARTICLES.	WEIGHT.
		SUBJECT TO CORRECTION.
<i>Brown &amp; Son, Hartford,</i>	<i>20 bxs. Lemons</i>	<i>1500</i>
	<i>20 bxs. Oranges</i>	<i>1500</i>

*For Inter-State Transportation Co.,*

*W. B. WILSON, Freight Agent.*

Read the conditions endorsed on back of this receipt.

You will now fill out a shipping receipt, like the above, on one of the blanks which you will find in your package of business forms, and take it to the teacher to be signed. Next enclose the receipt and the invoice in an envelope addressed to Brown & Son, Hartford, and hand to teacher.

Deposit cash \$225 in School Bank. (*See explanation for the deposit of June 1.*)

In making up a deposit arrange the money so that it may be easily and quickly counted at the bank. Put bills of the same denomination together, faces upward.

To count paper money, place a convenient number of bills in the left hand, faces upward; close the hand until the ends of the middle finger and thumb nearly meet; with the fore finger

and thumb of the right hand remove one bill at a time, in such a way that it will pass, under slight pressure, between the ends of the middle finger and thumb of the left hand. In laying the bills down, take pains to arrange them in a compact pile, instead of spreading them loosely over the desk.


Prove the cash and post the books for the day, after which make out a Daily Statement and hand it to the teacher. The cash in drawer is \$50.55.

JUNE 3, 190-

Receive from Horton Bros., to balance account, their note for \$41.25, dated June 2d, at 10 days, payable at School Bank. (*Enter in J. & B. B.*)

Take from your package of business forms a blank note and fill it out in accordance with the above terms, and hand to the teacher to be signed. When properly filled out and signed it will correspond to the following form of

PROMISSORY NOTE.

	\$41 <sup>25</sup> / <sub>100</sub>	(City), June 2, 190.....
	Ten days after date we promise to pay to the	
	order of "Student" in School Currency,	
	Forty-one <sup>25</sup> / <sub>100</sub>	Dollars,
	Payable at School Bank.	
Value Received _____		
No. 35. Due June 12, 190-		HORTON BROS.
		per T.

In determining the maturity of a note, count forward the exact number of days expressed in the body of the note, if for "days after date," and months, if "mos. after date."

Place the note in the envelope marked "Note File."

Sell Lyman & Co., on account: 5 bbls. E. H. Apples, @ \$6.90; 5 bxs. Oranges, @ \$6; 10 bxs. Lemons, @ \$5.40.

Make invoice for above and for all sales made hereafter, without further instructions.

Sell J. R. Peck, city, for cash: 1 bx. Oranges, \$6; 1 bx. Lemons, \$5.50; 1 bbl. E. H. Apples, \$7. (*S. B. & C. B.*)

Sell Smith & Van Dorn, Lockport, on account: 10 bxs. 5# ea. Gum Drops, @ 20¢; 10 bxs. 5# ea. Assorted Candy, @ 25¢; 10 bxs. Oranges, @ \$6; 1 bbl., 25 Pineapples, @ 12½¢. (*Make out shipping receipt and enclose with invoice. See sale to Brown & Son, June 2.*)

Receive from Lyman & Co., cash, \$100, to apply on account.

Write a receipt for the above payment. (*See form of receipt, page vi.*) In the receipt after the word "For" write, *to apply on account.*

Call at the teacher's desk, get the money, and leave the receipt. Make the proper entry in the Cash Book. File the receipt as a voucher.

Pay by check on School Bank freight bill on goods received from Boone & Cook, Batavia, on the 1st inst., 50 bbls. Apples, 7500 lbs., rate 15¢ per cwt., \$11.25. (*Mdse. acct.*)

Make out freight bill and freight receipt similar to the ones illustrated on page x. Draw your check, favor Agt. Inter-State Transpt. Co., and hand it, together with the freight bills, to the teacher. Remember to enter the check in the Cash Book. File the receipted bill.

Deposit cash \$125 in School Bank.

Prove the cash, post the books, and make out Daily Statement. Cash in drawer \$44.05.



JUNE 4, 190-,

Pay cash for the following petty expenses: Postage, \$1; stationery, 25¢; cartage, \$2.50. (*Short extend. See explanation, page ix.*)

Buy of L. A. Wendell 1 horse, \$100; 1 delivery wagon, \$75; 1 single harness, \$18; 1 blanket, \$3; 1 whip, \$1, and pay for same by check on School Bank. (*Charge Horse & Wagon acct. in Cash Book. Get a receipt for your check.*)

Receive from R. D. Lawrence his 5-da. note, dated June 3d, for the amount of the invoice sold him on the 2d inst.

See Lawrence's account for the amount of the above invoice. Draw up the note and have it signed by the teacher, after which place it in your Note File.

Buy of Myers Bros. & Co., city: 100 bunches Bananas, @ 90¢, and pay for same by check on School Bank. (*Mdse. q¢ in Cash Book.*)

Make invoice and get it receipted when you deliver the check.

Sell Putnam & Wood, city, on account: 1 bx. Lemons, \$5.75; 1 bbl. E. H. Apples, \$7.25; 10 Pineapples, @ 12½¢.

Sell Moore & Son, city, for cash: 2 bbls. E. H. Apples, @ \$7; 2 bunches Bananas, @ \$1.50.

Sell W. G. Mason, city, on account: 1 bx. Oranges, \$6; 1 bx. Lemons, \$5.50; 1 bunch Bananas, \$1.60; 2 bbls. E. H. Apples, @ \$7.50.

Remember to foot and rule the Sales Book at the bottom of each page.

Receive cash of Parsons & Co., city, to apply on account, \$25.50.

Deposit cash \$75 in School Bank.

Prove the cash, post the books, and make out Daily Statement. Cash in drawer, \$7.80.

JUNE 5, 190-,

Draw a draft, at one day's sight, on Brown & Son, Hartford, for \$115, to apply on their account. Date the draft to-day, and make it payable to the order of yourself. Hand the draft to the teacher for acceptance. The acceptance is dated to-day, payable at Bank of Hartford. (*Enter in Bill Book and Journal. See form of acceptance, page 76, and explanation, page 77.*)

In business a draft like the above would be sent by mail to the drawee to be accepted and returned; or it would be left at the bank and the bank would forward it for acceptance and return.

Business usage requires that when a draft is drawn on a customer he should be notified of it. No particular form of words is necessary, a simple notice like the following being sufficient:

## NOTICE OF DRAFT.

JUNE 5, 190-,

BROWN & SON.  
Hartford.

*Gentlemen.*—I have this day drawn on you at one day's sight, as per agreement, for One Hundred Fifteen Dollars, being one-half the amount of your purchase of the 2d inst.

Trusting you will honor the same, and awaiting a continuance of your favors, I am,

Yours respectfully,

"STUDENT."

Write a letter similar to the above on a letter-head, enclose it in an envelope properly addressed and hand to the teacher. After getting the draft accepted make the proper entries for it, and place it in the note file.

Pay in cash freight on goods received from C. B. Smith & Co., Buffalo, 170 bxs. Candy, 1020 lbs., rate 25¢ per cwt.

Follow the instructions given heretofore in similar cases.



Draw your note favor of Boone & Cook, payable six days after date at School Bank, for the amount of their account, and remit it to them. (*Bill Book and Journal.*)

After drawing the above note write Boone & Cook a letter stating that you enclose your note for the amount of their invoice of May 27. Enclose the note and letter in an envelope properly addressed and hand to the teacher.

Sell Moore & Son, city, for cash: 2 bxs. Lemons, @ \$5.50; 2 bxs. Oranges, @ \$6; 25 Pineapples, @ 11¢.

Sell Bancroft & Bro., city, for cash: 5 bunches Bananas, @ \$1.40; 1 bbl. E. H. Apples, \$7; 5 bxs., 5¢ ea., Gum Drop, @ 20¢; 15 lb. Stick Candy, @ 18¢.

Sell Horton Bros., city, on account: 5 bxs. Lemons, @ \$5.40; 2 bunches Bananas, @ \$1.50; 5 bxs., 5¢ ea., Gum Drops, @ 20¢; 5 lbs. Stick Candy, @ 18¢.

Sell Brown & Son, Hartford, on account: 5 bxs. Oranges, @ \$6.10; 10 bxs. Lemons, @ \$5.50.

Remember to make out shipping receipt for above sale.

Receive of Lyman & Co., city, cash \$42.50, to apply on account.

Deposit cash \$80 in School Bank.

Prove the cash, post the books, and make Daily Statement. Cash in drawer, \$15.20.

JUNE 6, 190—,

Receive cash, \$50, of Newman & Son, city, to apply on account.

Accept Green & Co's draft on you at four day's sight for \$358, on account. (*B. B. & J.*)

Draw the above draft and have it signed by the teacher, after which accept it, dating the acceptance to-day, payable at School Bank, and make the proper entries for the transaction. Then hand the draft to the teacher.

Sell Chas. W. Wilson, city, for cash: 5 bunches Bananas, @ \$1.35; 3 bxs. Lemons, @ \$5.40; 2 bxs. Oranges, @ \$5.85; 5 bxs., 5¢ ea., Gum Drops, @ 18¢.

Sell John R. Peck, city, on account: 5 lbs. Stick Candy, @ 17¢; 5 bxs., 5¢ ea., Assorted Candy, @ 23¢; 2 bunches Bananas, @ \$1.40; 1 bx. Lemons, \$5.50.

Sell Parsons & Co., city, on account: 3 bunches Bananas, @ \$1.35; 1 bbl. E. H. Apples, \$6.75; 2 bxs. Lemons, @ \$5.45; 2 bxs. Oranges, @ \$5.85; 5 bxs., 5¢ ea., Gum Drops, @ 19¢; 5 lbs. Stick Candy, @ 16¢.

Sell Newman & Son, city, on account: 2 bxs. Lemons, @ \$5.45; 1 bx. Oranges, \$5.85; 6 Pineapples, @ 10¢; 2 bunches Bananas, @ \$1.40.

Pay cash, \$3.50, for horse feed. (*Expense* *q.* *Short extend this item.*)

Buy of G. A. Raymond 1 second-hand office safe, and pay for same by check on School Bank, \$45. (*Expense* *q.* *Short extend.*)

Some business men prefer to charge such a purchase as the above to an account called Furniture and Fixtures acct., while others prefer to charge it to Expense acct. In either case the result is practically the same, as the property is inventoried at its estimated value at the time of making a Balance Sheet.

Deposit cash, \$65, in School Bank.

Pay cash, \$15, for clerk hire for the week. (*Short extend.*)

Add the short extended items and enter the amount in the expense column.

Draw cash, \$10, from business for private use.

Charge your own account for the above withdrawal.

Prove the cash, foot the special columns in the Cash Book and carry the footings of these columns into the General columns, as shown in the illustrations, pages ii and iii. Cash in safe, \$10.85.

Next balance and rule the Cash Book. (*See 35, page iii, and form of Cash Book, pages ii and iii.*) Bring the balance down in Cash Book under date of the next business day, June 8th.

Foot the time sales column in the Sales Book and rule that book. (*See form of Sales Book, page v.*)

Post the books. Post the footing of the Sales Book and the footing of the Mdse. column in the Cash Book to the credit of Mdse. account. Post the footing of the Expense column in the Cash Book to the debit of Expense account. Post the other items as heretofore. Make out a Daily Statement and hand to the teacher.

Now take off a trial balance of your Ledger in your Trial Balance Book.

JUNE 8, 190—,

Receive from Brown & Son, Hartford, their check on the Bank of Hartford, for \$100, to apply on account. (*C. B.*)

Draw up this check on the Bank of Hartford blank check, which you will find in your package of business forms, and present it to the teacher to be signed. Treat the check as cash.

Remit Green & Co. your check for \$300 to balance their account.

Make the check payable to Green & Co. Write them a letter stating that you enclose your check for the above amount, to balance your account, and ask them to acknowledge receipt of same. Fold the check inside the letter and enclose it in an envelope, properly addressed.

Receive cash \$38.95 from Parsons & Co. to balance their account.

Pay E. Lane cash \$15 for signs for store. (*Expense. Short extend all expense items hereafter.*)

Sell Parsons & Co., on account: 3 bbls. E. H. Apples, @ \$6.75; 3 bxs. Lemons, @ \$5.35; 8 bunches Bananas, @ \$1.40; 5 bxs. Oranges, @ \$5.80.

Sell damaged goods for cash \$7 as follows: 1 bx. Oranges, 1 bx. Lemons, 10 Pineapples. (*C. B. only.*)

No entry is required in the Sales Book for the above, as it is not a regular sale, and no bill is required.

Sell Anson & Dow, Fairport, on account: 5 bbls. E. H. Apples, @ \$6.75; 15 bxs. 5# ea. Gum Drops, @ 20¢; 10 bxs. 5# ea. Assorted Candy, @ 23¢; 4 bxs. Oranges, @ \$5.80; 4 bxs. Lemons, @ \$5.40.

Sell Putnam & Wood, on account: 5 bunches Bananas, @ \$1.30; 2 bxs. Lemons, @ \$5.40; 5 bxs. 5# ea. Assorted Candy, @ 23¢; 5 bxs. 5# ea. Gum Drops, @ 19¢; 1 bx. Oranges, \$5.80.

Pay 1 week's rent of store by check, \$12.50.

Telegraph Boone & Cook, Batavia, to ship you at once by fast freight Fifty barrels Early Harvest Apples; pay the charges on the message in cash, 25¢. (*Expense.*)

Write the above message on the telegraph blank which you will find in your package of business forms, limiting the number of words, exclusive of the address and signature, to ten. Telegraph companies charge a certain sum for transmitting a message of ten words or less to a given place, and for all words over ten an additional charge per word is made.

Your message when written should be similar to the following :

## TELEGRAPH MESSAGE.

## THE COMMERCIAL TELEGRAPH COMPANY.

PHILO M. BECKLEY, General Manager.

SYLVANIUS CUMMINGS, President.

RECEIVER'S NO.	TIME FILED.	CHECK.
----------------	-------------	--------

SEND the following message subject to the terms  
on back hereof, which are hereby agreed to. }

June 8, 190-

To Boone & Cook,  
Batavia.

Ship	at	once	fast	freight
fifty	barrels	Early	Harvest	Apples.
				"Student."

Deposit currency \$35 and the check received from Brown & Son to-day. Bank charges you 15¢ for collecting the check. Also leave Brown & Son's acceptance at the bank for collection. (Ck. B. and C. B.)

Itemize this deposit and deduct the collection as shown in the form on page iv. Charge Expense in the Cash Book for the collection on the check. Endorse the check in blank and also the draft left for collection. No entry is necessary at this time for the draft.

Prove the cash, post the books, and make out Daily Statement. Cash in safe, \$6.55.

JUNE 9, 190-

Goods as per the following invoices have been received and found to check all right: Green & Co., New York, Invoice No. 5, dated June 5th, 80 bxs. Oranges, @ \$3.25; 75 bxs. Lemons, @ \$2.85; 5 bbls., 40 in ea., Pineapples, @ 6¢. C. B. Smith & Co., Buffalo, Invoice No. 6, 50 bxs. 5# ea. Assorted Candy, @ 17¢. (See 62, page iv.)

Pay freight on the goods received to-day from New York and Buffalo by check favor Agt. Inter-State Transpt. Co. The weight of the goods is: Oranges, 75 lbs. per bx.; Lemons, 75 lbs. per bx.; Pineapples, 100 lbs. per bbl.; Candy, 1 case, 275 lbs. Rate on fruit 15¢ per cwt., and on candy 25¢ per cwt.

Remember to make out freight bills and freight receipts for the above, as heretofore instructed.

Receive cash \$14.25 of Putnam & Wood to apply on their account.

Sell Smith & Van Dorn, Lockport, on account: 1 bbl. E. H. Apples, \$6.75; 4 bxs. Oranges, @ \$5.50; 6 bxs. Lemons, @ \$5.

Sell W. D. Oliver, city, for cash: 50 Pineapples, @ 11¢; 5 bunches Bananas, @ \$1.35; 2 bxs. Lemons, @ \$4.90.

Sell Lyman & Co., city, on account: 15 bxs. 5# ea. Gum Drops, @ 20¢; 10 bxs. 5# ea. Asso. Candy, @ 23¢; 10 lbs. Stick Candy, @ 16¢.

Pay cash \$5 to Globe Publishing Co. for advertisement in Daily Globe. (Expense.)

Prove the cash, post the books, and make out Daily Statement. Cash in safe, \$37.85.



JUNE 10, 190—,

Pay cash \$1.50 for shoeing horse. (*Expense.*)

The Apples ordered of Boone & Cook by telegraph on the 8th inst. have arrived, and are invoiced at \$5.50 per bbl. The invoice is dated June 8th.

Receive cash \$118.50 of Lyman & Co. in payment of invoice of 3d inst.

Remit C. B. Smith & Co., Buffalo, your check for \$132 in payment of invoice of May 30th.

Pay cash for freight charges on the goods received from Batavia to-day. Weight, 150 lbs. per barrel; rate. 15¢ per cwt.

Sell John R. Peck, on account: 25 Pineapples, @ 11¢; 5 bunches Bananas, @ \$1.35; 2 bbls. E. H. Apples, @ \$6.75; 2 bxs. Oranges, @ \$5.50; 2 bxs. Lemons, @ \$5.

Sell James Martin, city, for cash, 15 lbs. Stick Candy, @ 15¢; 5 bxs. 5# ea. Assor. Candy, @ 22¢; 5 bxs. 5# ea. Gum Drops, @ 19¢; 3 bunches Bananas, @ \$1.30.

Sell W. G. Mason, city, on account: 3 bxs. Oranges, @ \$5.50; 3 bxs. Lemons, @ \$5; 3 bbls. E. H. Apples, @ \$6.75; 2 bunches Bananas, \$1.35; 25 Pineapples, @ 11¢.

Deposit cash \$80 in School Bank.

The bank credits you in your bank book for the amount of Brown & Son's acceptance, due on the 9th inst., less 25¢ for collecting the same. (*C. B. and Ck. B.*)

Have the teacher enter the collection in your bank book, after which make the proper entries in your Cash Book and Check Book. Charge the 25¢ to Expense. Treat the proceeds of the draft the same as a deposit.

Prove the cash, post the books, and make out Daily Statement. Cash in safe, \$80.

JUNE 11, 190—,

Buy of Keller & Co., 1 Family Carriage, \$150, and pay for same by check on School Bank. (*"Student's" acct.*)

The above is not for use in the business, hence it is charged to the proprietor's account.

R. D. Lawrence pays his note, due to-day, in cash.

Surrender the note, which is in your note file, when you receive the cash.

Accept Green & Co.'s draft on you at 1 day's sight for \$285.75, to apply on account.

Sell Horton Bros., on account: 15 bxs. 5# ea. Asso. Candy, @ 22¢; 2 bbls. E. H. Apples, @ \$6.75; 2 bunches Bananas, \$1.35.

Sell Newman & Son, on account, 2 bxs. Lemons, @ \$5; 3 bxs. Oranges, @ \$5.50; 1 bbl. E. H. Apples, \$6.75.

Sell H. H. Strong, city, for cash: 1 bx. Oranges, \$5.40; 1 bx. Lemons, \$4.85; 1 bbl. E. H. Apples, \$6.60; 1 doz. Pineapples, \$1.

Sell Anson & Dow, Fairport, on account: 10 bxs. Oranges, \$5.50; 10 bxs. Lemons, \$5; 4 bbls. E. H. Apples, @ \$6.75.

Deposit cash \$125 in School Bank.

Prove the cash, post the books, and make out Daily Statement. Cash in safe, \$40.35.

JUNE 12, 190-.

Parsons & Co. ask for a statement of their account. Comply with their request. (*See form of Statement below.*)

## STATEMENT.

City, June 12, 190-.

Messrs. Parsons &amp; Co.,

City,

In account with "Student."

190-.		Dr.				
June	1	To mdse. as per bill rendered,	25	50		
	6	"	38	95		
	8	"	76	50	140	95
		Cr.				
June	4	By cash,	25	50		
	8	"	38	95	64	45
					76	50

A statement is an itemized list of the debit and credit entries of an account. Statements are usually rendered on the 1st of each month, and at such other times as it may be necessary or desirable. Statements are rendered monthly for comparison with the accounts on the books of the parties to whom they are sent. In this way, if any errors have been made in posting these accounts, they are detected.

When a customer is dilatory in his payments, he is often reminded of that fact by the receipt of a statement, containing a request to please remit.

You will now make a statement of Parsons & Co.'s account, as shown by the accompanying illustration, on the blank statement which you will find in your package of business forms. Enclose the statement in an envelope properly addressed and hand to the teacher.

Remit C. B. Smith & Co. your check for the balance of your account.

See your Ledger for the amount due S. & Co.

Receive cash of Horton Bros. in payment of the invoice sold them on the 5th inst.

Accept Boone & Cook's draft on you at 3 days' sight for the amount of their invoice of the 8th inst.

Sell R. D. Lawrence, on account: 2 bbls. E. H. Apples, @ \$6.65; 2 bxs. Oranges, @ \$5.50; 1 bx. Lemons, \$5; 24 Pineapples, @ 10¢; 1 bunch Bananas, \$1.30.

Sell Brown & Son, Hartford, on account: 15 bxs. Oranges, @ \$5.40; 10 bxs. Lemons, @ \$4.90; 5 bbls. E. H. Apples, @ \$6.65.

Sell Hathaway & Son, city, on account: 15 bxs. 5# ea. Gum Drops, @ 20¢; 15 bxs. 5# ea. Asso. Candy, @ 22¢; 10 lbs. Stick Candy, 15¢; 2 bunches Bananas, \$1.30.

Prove the cash, post the books, and make out Daily statement. Cash in safe, \$76.25.

JUNE 13, 190-,

Receive from Newman & Son, their note at 10 days, payable at City Bank, for \$70.15, to apply on account.

Pay cash \$6.25 for repairs on delivery wagon. (*Expense. Short extend.*)

Receive cash of John R. Peck to balance account.

Sell John R. Peck, on account: 15 bunches Bananas, @ \$1.25; 24 Pineapples, @ 10¢; 4 bxs. Oranges, @ \$5.35; 1 bx. Lemons, \$4.75.

Sell Lyman & Co., on account: 5 bunches Bananas, @ \$1.25; 2 bbls. E. H. Apples, @ \$6.50; 12 Pineapples, @ 10¢; 3 bxs. Oranges, @ \$5.35; 2 bxs. Lemons, @ \$4.75.

Sell Putnam & Wood, on account: 3 bbls. E. H. Apples, @ \$6.50; 10 bunches Bananas, @ \$1.25; 7 bxs. Oranges, @ \$5.30; 3 bxs. Lemons, @ \$4.75.

Accept Green & Co.'s draft on you at 3 days' sight to balance account.

Pay cash \$18.50 for clerk hire for the week.

Draw your check for the amount of your acceptance, \$358, due at bank to-day, and your note, \$287.50, due at bank to-morrow (Sunday); total, \$645.50.

In the body of the check after the words "Pay to the Order of" write *my acceptance, \$358; my note, \$287.50*. This is to show for what the check is given.

In a few States of the Union paper due on Sunday is payable on the following business day, but in most of the States such paper is payable on Saturday.

Deposit in bank all the cash on hand. Take with you the check which you drew to pay for paper due, and get back the paper when you deliver the check. Cancel the paper by writing across the face of each in large letters, the word "Paid." Leave your bank book at the bank to be written up.

Draw your check favor of teacher for the amount to your credit in the bank, and hand to the teacher. (*Student's acct.*)

Prove the cash, foot and rule the Cash Book and Sales Book, and post the books. Make out Daily Statement and hand to teacher.

You have received an offer from J. B. Whitbeck to purchase your stock of goods, good will and fixtures, and in anticipation of accepting the offer you have had an inventory taken, which is as follows :

#### INVENTORY.

MERCHANDISE.—30 bxs. Oranges, @ \$3.25; 45 bxs. Lemons, @ \$2.85; 28 Pineapples, @ 6¢; 15 bxs., 5 lbs. ea., Asso. Candy, @ 17¢; 10 lbs. Stick Candy, @ 12¢; 10 bxs., 5 lbs. ea., Gum Drops, @ 15¢; 25 bbls. E. H. Apples, @ \$5.50; 15 bunch. Bananas, @ 90¢.

EXPENSE.—Office Safe, \$45; Signs, \$15; Stationery, etc., \$3.

HORSE AND WAGON.—Horse, \$90; Wagon, \$70; harness, \$15; blanket and whip, \$3.50.

Now take a Trial Balance, and make a statement of Resources and Liabilities, and Losses and Gains. Your net gain is \$659.78.

You have accepted Mr. Whitbeck's offer, and he is to take possession on Monday next. He is to assume all outstanding obligations, and all debts due you are to be paid to him. You will therefore prepare to hand over the books and papers of the business to him.

Endorse in full to J. B. Whitbeck the Bills Receivable which you have in your Note File. (*See form of full endorsement, page 36.*)

Next close all the accounts in your Ledger, and bring down the balances. Then hand your books and papers to the teacher.



## QUESTIONS.

What practice is this exercise designed to give the student? What is it designed to illustrate? What books are used in this set? Describe the Sales Book and explain its use. How are Cash Sales entered in this book? Time Sales? How is the posting done from this book and when? In what way does this save labor? How does the Cash Book in this set differ from the Cash Books used in the preceding sets? Explain the uses of the special columns in the Cash Book, and state what advantage is obtained thereby? When is the Cash Book in this set posted and how? How is the Cash Book balanced in this set? Describe the Check Book used in this set, and describe its use? How is the Bank account kept in this set? In proving and balancing the Cash Book what is done with the amount in bank? Of whom do dealers buy their goods? How are they transported from the buyer's place of business to that of the seller? What are the parties who transport these goods called? Who pays the charges which they make for their services? What is an invoice, to whom is it sent, and when? When should an invoice that is received be entered? When should an entry be made for cash received, and in what book? At least how many times should money be counted when received or paid out? What is said about getting and giving receipts for money paid or received? What should a receipt show? How would you fold and file an invoice? Explain how you would make a deposit in a mercantile bank? Describe the Bank Book and explain its use? When should a blank check be filled out? In what book and on which side of the book should an entry be made when a check is drawn? Describe a Freight Bill and a Freight Receipt and explain their use? What is a Shipping Receipt and how is it used? How do you count paper money? When a draft is drawn upon a customer, what does business usage require? What is a telegram and how does it differ from a letter? What is a Statement? Describe its form?









